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NOTICE TO READERS: All material in this volume previously disseminated in electronic form.
An Ω indicates a Foreign Media Note.

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Report on Arms Trafficking in Balkans

BR2906145494 Milan PANORAMA in Italian 2 Jul 94 pp 100-103

[Report by Giovanna Porta and Silvia Aloisi: "Balkan Connection"]

[Text] The conflict in the former Yugoslavia is not just a great political and human tragedy but also provides economic opportunities on a huge scale for mediators, owners of military industries, dealers and mafias of both East and West—outright silent protagonists in this war that has devastated the Balkans over the past three years. This business is still maintaining a "busy market": While officially a fragile truce reigns in Bosnia, and the international public seems to have forgotten about Sarajevo, the arms trafficking and politico-criminal infiltration of the sanctuaries of power of the young former Yugoslav republics are in fact continuing in grand style.

According to Western secret service reports, the Serbs, Croats, and Muslims are taking advantage of the truce to draw up new plans of war, filling their arsenals with increasingly sophisticated weapons obtained on the market, paid for in valuable currency or by means of drug trafficking with the international mafias.

"You have not the slightest idea of the capitals and individuals who are forging the real politics there": Middle aged, his face marked by innumerable experiences and deals with "hot" countries, Mario A. talked reluctantly about "his" Yugoslavia. A small businessman from the Italian provinces who speaks fluent Serbo-Croatian, he has spent an entire life trading with the Slavs of the South. PANORAMA first met him in Croatia during the first months of the war, when he was helping "some friends to buy some things for the volunteers—light weapons, ammunition, but also antitank rockets, mines, grenades." At that time the military chiefs submitted detailed lists and did not argue about prices: "They paid with funds gathered from emigres in Australia and the United States. Now everything has changed. It has become more professional and more dangerous: It is the governments and secret services that do the deals," he explained at his home in central Italy. He added: "The leaders of Croatia, Bosnia, and Serbia now control banks, multinational companies, and trading fleets. And they use them to increase their business and power. The people in charge in Zagreb are such fearsome men as Gojko Susak, a great controller of illegal funds from emigres. And the "erzegovici," the Croatian mafia of Herzegovina, ruthless people connected with such military chiefs as Branimir Glavas and such powerful politicians as Vladimir Seks, who influence President Franjo Tudjman."

The trafficking, which until 1992 also involved Slovenia (which has now become chiefly a territory to be crossed), has undergone an acceleration since the federation pact between Bosnians and Croats: "The Sarajevo government," military observers warn, "has air and land corridors with Croatia for bringing in consignments of weapons from Bosnia sent from Iran and Arab countries."

Serbia's military capability was long dependent on the reserves of the former Yugoslav Army and the production capacity of its domestic defense industry. But recent disclosures by the Belgrade press concerning secret trafficking by state bodies and government representatives have cast new light on comings and goings of currency and on secret supplies of weapons from Russia and China. The collapse of "mafia" banks such as Dafiment and Jugoskandic, connected with Western and Israeli circles, are indeed revealing trade on an enormous scale, via Albania, the ports of Montenegro, Macedonia, Bulgaria, and Romania. "During the war," the Italian dealer said, "Serbia has continued buying and selling weapons in order to acquire currency. I myself have seen consignments leaving for Somalia and other hot spots."

The international trafficking is centered on networks of import-export firms whose names are mostly known to the Western intelligence services. Specializing in three-way deals, chiefly involving Singapore (not only a financial center but also a good producer of weapons,) almost all of them are based or have contacts in Vienna, which is known as "Yugoslavia's second city in the world" because of the size and power of its Balkan communities. It follows Germany, where the activities of Slav dealers are apparently now "impossible to control" by the police. And Italy, where every day there is news of inquiries into weapons and drugs trafficking between Belgrade and Sicily, or Ljubljana and the Veneto. "The blazing Balkans have made Europe very vulnerable," PANORAMA was told by Dagmar Thomas, director of Vienna's UNDCP, the UN agency that seeks to prevent large-scale drug trafficking. He added: "Wherever there is a war drugs become the currency for purchasing weapons."

Despite the embargo decreed by the United Nations in 1991, Serbian and Croatian purchases of weapons abroad have been huge in recent years. The latest report from the Italian permanent watchdog committee on weapons trading, drawn up by Francesco Terreri, provides details of the quality and provenance of weapons purchased: for the Serbs, Hungarian T-64 tanks, Chinese Hn-5 surface-to-air missiles, and spare parts for Migs. And for Croatia, Austrian Aug Steyr assault rifles, Sar-80 assault rifles from Singapore, Fim-92 Stinger missile systems from the United States, and Franco-German Milan antitank missiles. Not to mention ammunition and Armbrust antitank rockets purchased from the Lebanese militias. And even Mig-21 fighters purchased, like other weapons systems, directly from the arsenals of the former East Germany. All this, often with the open complicity of officials in the Bonn government, which has used supplies of weapons as a means of influencing the nationalists in Zagreb.

This was confirmed by Erich Schmidt-Banboom, a German analyst of the weapons market, who told PANORAMA about disclosures made by Karl-Heinz Schultz, manager of the Bej Ma Military Equipment company of Antwerp: "He told me that he had received in his office a German consul with a long list of the weapons that Croatia needed, and he cited numerous visits to fellow weapons producers by agents of the BND [Federal Intelligence Service], Germany's secret service, which is very busy in transactions with the former Yugoslavia."

All the major weapons producing countries, both Eastern and Western, seem to be involved in the trafficking, which seems not to have encountered any crucial obstacles from the legislation and bodies established to control it. Britain's Paul Beaver, one of the top experts of the specialist journal, JANE'S DEFENCE WEEKLY, has accumulated a huge file on military trade with the former Yugoslavia. A perusal of part of the material collected leaves little doubt about the dangers of this trade and raises questions that should be answered. An example is the General Dynamics company, which before the outbreak of war maintained relations with the Yugoslav Soko company for the joint production of the Super Galeb training aircraft, used by Belgrade's air force. At the start of the war (1991) the contract was frozen pending a definition of the situation. But from 1987 through 1993 the American firm's board included diplomat Cyrus Vance, who was subsequently appointed by the United Nations to perform the role of peace mediator in Bosnia, without any questions of incompatibility being raised.

Meksi Comments on Economy, Greece, Kosovo

AU3006134194 Vienna DIE PRESSE in German 30 Jun 94 p 5

["e.m."-signed report: "Albania Needs Help"]

[Text] Vienna—"The situation in Albania is much better than it was two years ago." Speaking to DIE PRESSE, Albanian Prime Minister Aleksander Meksi said that "the Albanian people can very well distinguish between totalitarianism and democracy and between a centrally controlled economy and market economy."

But the restructuring process has caused problems and that is why "Albania needs help from all of Europe." Foreign investment, such as that already effected by numerous Austrian firms, could help reduce the current unemployment rate of between 15 and 18 percent.

Asked about Albanian-Greek relations, Meksi said that it is not Tirana that has problems with Athens, but "Greece is having problems with all its neighbors." He rejects accusations that Albania is treating the Greek minority badly. "The Greek minority in Albania has more rights than any other minority in the world." Meksi also complains that Athens has repeatedly blocked the European Union's financial aid to Albania.

The Albanian Prime Minister thinks that the situation of Albanians in the Serb province of Kosovo continues to be explosive. There cannot be a dialogue with Belgrade until the Serbs remove weapons and police and enable monitoring, for instance by the United Nations or the CSCE, Meksi said.

Berisha Addresses Defense Appointment Ceremony

AU0107074494 Tirana TVSH Television Network in Albanian 1800 GMT 30 Jun 94

[Text] [Announcer] Albanian President Sali Berisha attended a ceremony held at the Defense Ministry on new appointments in the Army General Staff. Let us follow a report by Sokol Terihati:

[Terihati] Sali Berisha, president of the Republic and commander in chief of the Armed Forces, attended a ceremony organized at the Defense Ministry this morning on the occasion of releasing from duty the chief of the Army General Staff, Lieutenant General Ilia Vasho, and appointing him Albania's military representative to the NATO Military Committee, as well as appointing Major General Sheme Kosova to the position of the chief of the Army General Staff.

After Defense Minister Safet Zhulali announced these appointments, Sali Berisha, president of the Republic and commander in chief of the Armed Forces of Albania, took the floor. He made the highest assessments of the two top military figures Vasho and Kosova on their devotion to the process of reforming and restructuring the Army, their professional abilities, and their contribution to the modernization of the Army and its relations with the armies of other countries. President Berisha then spoke about the goals of the democratic state regarding the modernization of the Army.

[Begin Berisha recording] During the last two years, the Army has marked very deep changes in its restructuring process. The Army is being increasingly consolidated as a powerful institution of defense and security of a free country. Committed to these reforms with devotion and seriousness, the Albanian Army converted from a decentralized system of small units spread throughout the entire country into an army based in regular military installations. The Army is reforming and will change its training programs, but at the same time it will be modernized in all aspects. [end recording]

Further on, President Berisha presented Lieutenant General Ilia Vasho with the Scanderbeg Order First Class. Taking the floor, General Vasho said:

[Begin Vasho recording] I have very often asked myself: What is that magic code that is the promoter of the achievements in the military reform? One of the treasures of this asset is the magic code—duty, honor, homeland. [end recording]

The chief of the Army General Staff, Major General Sheme Kosova, thanked the president for the appraisal of his work and guaranteed the continuation of work to modernize the Albanian Army and place it on the parameters of Western armies.

In the name of the Defense Ministry, Defense Minister Safet Zhulali spoke at this ceremony, too. Public Order Minister Agron Musaraj and Defense Ministry employees took part in this ceremony.

Berisha later held a meeting with leading officials at this ministry. At the meeting Berisha spoke about the strengthening of discipline and readiness in the Army. The president also declared that Albania possesses all potential possibilities for a complete and secure defense of its political interests and territorial integrity.

Zhelev, BSP, SDS Moves in Veto Game Noted

AU2906112094 Sofia 24 CHASA in Bulgarian 24 Jun 94 p 8

[Editorial: "President Successfully Maneuvers Between BSP, SDS"]

[Text] With a single move President Zhelev succeeded in satisfying the whims of both the Bulgarian Socialist Party [BSP] and the Union of Democratic Forces [SDS]. The SDS insisted on a veto against mass privatization and the "anti-Tatarchev Bill" [Judiciary Organization Bill]. The BSP supports both bills.

The president allowed the Mass Privatization Bill to pass, but he will block the changes in the judiciary system.

Is this really a wise decision? With his veto the president saves the chief prosecutor and the chairman of the Supreme Court, two persons on whom very much depends. However, their replacement cannot be compared to the chaos that the Mass Privatization Bill will create. The trade unions, employers, and experts together pointed out the bill's weaknesses.

The SDS did not do anything positive for Bulgaria, not trying even to effect amendments to the Privatization Bill in the parliament.

However, the political part of the operation is brilliant. The SDS demanded that both bills be vetoed, in order to effect the president's veto against one of them. Thus all participants—Zhelev, the SDS, and the BSP—leave the game as winners. At the same time the Bulgarians will have to privatize on a huge scale the unprofitable enterprises that will be passed to them.

Report Predicts 'Coup' Against BSP Leader

AU2906125094 Sofia STANDART NEWS in Bulgarian 24 Jun 94 p 3

[Report by Boyka Zhelyazkova: "Zhan Videnov Is Threatened With a Coup in September"]

[Text] STANDART NEWS has learned that dissatisfied Socialists are organizing a coup against Zhan Videnov, chairman of the Bulgarian Socialist Party [BSP]. They explain their intention by the fact that the party still has no policy after its 41st congress and that it is slowly but surely heading toward new elections.

According to the BSP Charter, only an extraordinary congress can strip Videnov of his post as party chairman. Such a congress can be convened by either one-third of the BSP primary organizations or by the 106 members of the BSP Supreme Council. For the time being, the dissatisfied prefer the second variant.

The Supreme Council would officially accuse the chairman of failing to implement the resolutions of the previous forum and leading the party toward a decline.

The coup will take place in the first days of September. The identities of its leaders remain a secret, and it is possible that strawmen will act in their place in the official fracas.

The struggle over the BSP's ideological program will take place only in the Supreme Council's Commission on the Program Document. According to informed sources, to pacify his opponents Videnov asked that the draft program of the Strategic Research Center, entitled "New Times, New Bulgaria, New BSP," not be substantially edited.

The early elections issue has produced opposing camps in the BSP Executive Bureau. Krasimir Premyanov, Nora Ananieva, Georgi Purvanov, and Nikolay Kamov do not want to hear about elections in the fall. Vladimir Topencharov, Doncho Konakchiev, and Nikolay Dobrev are their opponents. According to informed sources, Yanaki Stoilov and Anzhel Vagenshtayn are unpredictable, while other members of the Executive Bureau will select the more powerful side.

According to sources at the BSP headquarters, Videnov is more confused than ever before. The circle of supporters around him disappeared in the first week after the elections, and there hardly is anyone who can advise 35-year-old Videnov. The BSP returned to the stalemate of 1990, a socialist deputy said to STANDART NEWS. Both then and now, we are waiting for a political force to come and eliminate us, he said.

If in July the Alliance for Social Democracy [OSD] again states that it does not want elections in the fall, Zhan Videnov will remain alone against all the rest.

Power Supply Chief Signs Protocols With Moscow

AU3006203394 Sofia Khorizont Radio Network in Bulgarian 1900 GMT 30 Jun 94

[Text] Our delegation's visit to Moscow ended with the signing of two protocols, announced Nikita Shervashidze, chairman of the Committee on Power Supply, upon his return. The first protocol envisions forming a joint Bulgarian-Russian gas company with both sides participating equally. On the Bulgarian side, the Bulgarian Gas Company will be the shareholder, while on the Russian side the shareholders will be Gazprom, Gazeksport, and two banks.

The second protocol is on an intergovernmental agreement on cooperation in the nuclear power field. With regard to the controversial issue of returning the spent fuel from the old units of the Kozloduy nuclear power plant to Russia, three possible alternatives will be discussed: acceptance for temporary storage, seeking permission from the Russian parliament for long-term storage, or allowing the Bulgarian side to solve the problems itself.

Payne Explains Czech View of Visegrad Group

94CH0303A Prague DENNI TELEGRAF in Czech 18 May 94 p 3

[Commentary by Jiri Payne, chairman of the Foreign Affairs Committee of the Czech parliament: "How Were Things Regarding Visegrad?"]

[Text] In 1989, developments in Central Europe led to a natural coordination between Czechoslovakia, Hungary, and Poland. The common interest was to be rid of the military, political, and economic dependence upon the Soviet Union. The relationship between the three (after division of the federation, it was four) countries has developed since 1989 in their own internal logic and, from the very beginning, showed two dimensions: an economic one and a military one. Both levels were from the beginning aimed at being "destructive"; the purpose was to terminate the activities of the Warsaw Pact and CEMA.

Thanks to a common approach, the Warsaw Pact was disbanded, and, gradually, even the departure of the Soviet soldiers was achieved. This successful period was followed by a more difficult search for additional collaboration, which ended in the signing of several documents and relatively regular meetings. All participating countries decided to orient their security policies toward the North Atlantic Alliance.

To judge the claim that "the determining danger is the power and security vacuum" (B. Dolezal, TELEGRAF, 9 April), we must return to the period of the Cold War. At that time, both superpowers provided their alliance partners with full security guarantees, built precisely on a power base. This served to suppress the importance of any other risks. If the end of the bipolar world led to the appearance of problems in the foreground that were previously unseen, those countries that were pressing to be rid of undesirable military guarantees could begin to feel that they are in a security vacuum.

Let us be careful in differentiating what is a security vacuum and what is freedom, for which we are striving. Freedom carries with it even the taking on of responsibility for one's own fate. The inability to take over responsibility can be reflected in feelings of a security vacuum and in efforts to join in various groupings. Alternative security structures, created by postcommunist countries, would not be a solution. For our foreign policy, it is one of the priorities to strive for full membership in the alliance grouping of NATO. There can be various justifications, motivated either on the basis of the analysis of security risks and their lowering or those using the argumentation of the Central European context and its stability in the event of defending democratic values. In any event, we must proceed on the basis of careful analyses, uncolored by emotional evaluations, which tend to seduce toward a black-and-white vision, without comparisons from the economic world—security is not business.

The historically greatest risk for us was our inability to come to agreement, beginning with the legend of the three branches that will not break as long as they are tied together, through the Hussite and White Mountain experience all the way through 1948 and 1968. Whether this is the case today is yet to be seen. In this sense, I agree with Mr. Dolezal that our goal is to become a stabilized country in a stabilized region.

In the beginning phase, it was vitally important for the free development of the Central European countries to create an area for economic transformation. This meant the replacement of "economic aid" with normal economic relationships. In this area, developments were highly successful along formal lines. Instead of CEMA, there is the CEFTA [Central European Free Trade Association] grouping (the agreement for the creation of a Central European free trade zone). Now we are left with the final detail—in other words, economic relations within a market environment among Central European countries that must be developed. For the time being, for example, our trade with Poland or Hungary amounts to several percentage points of our total trade. If I look at the developmental lines of West European integrational efforts and the timetables contained in CEFTA, I unequivocally arrive at those 10 years that are required for creating stronger economic relationships.

It can be realistically expected that the development of economic relationships will be accompanied by a gradual intensification of political relationships and the development of relationships between the armies of the Central European countries.

While the Polish Army already has part of its transformation behind it, and ours is counting on an operational perspective by 1996 and a target year of 2005, the Slovak Army, for example, will perhaps require a little more time. This means that joint activities can appear like ad hoc collaboration. We will actually certainly have to wait at least several decades for consistently stable and permanent foundations for collaboration.

Understandably, we cannot predict the future, despite the fact that we must somehow plan our forces. I am inclined to see us preparing more for "a run on a long track." I give preference to creating high-quality foundations over a speculative trick that, if successful, might land us in the arms of security guarantees, but at a cost of problematic tensions and crises that generally follow such a trick.

Even though such an unexpected turnaround might play out in the European scene and we might find ourselves overnight in NATO, we will have no choice but to systematically evaluate our own security and make efforts to take care of it, primarily through our own forces, and to pay for these forces out of our own budget. Only such a country could be an equal member of NATO; only such a country can expect, in the event of a threat, a promise of assistance from its alliance partners.

Zieleniec Views 'Confidence Crisis' Within ODS

AU3006174694 Prague MLADA FRONTA DNES in Czech 28 Jun 94 p 3

[Interview with Josef Zieleniec, Czech foreign minister and deputy chairman of the Civic Democratic Party, by Jana Bendova and Petr Novacek; place and date not given: "There Is a Confidence Crisis Within the Coalition, Says Zieleniec"]

[Text] Josef Zieleniec, foreign minister and deputy chairman of the Civic Democratic Party [ODS], believes there is no threat of the coalition's disintegrating, but, in his opinion, there is a confidence crisis between the government parties. "All of the coalition partners should think of a way to restore mutual confidence," Minister Zieleniec said in an interview for MLADA FRONTA DNES.

[MLADA FRONTA DNES] Why has this crisis arisen, in your opinion?

[Zieleniec] We are tired of the large number of serious problems we have had to solve. We lack long-term political training, and this is why it is sometimes difficult for us to cope with even routine conflicts. Nervousness sets in, and political disputes turn into personal ones that undermine the confidence between the parties and their representatives. Unfortunately, emotions rather than deeds are gaining the upper hand in the conduct of some present politicians.

[MLADA FRONTA DNES] Members of the People's Party, Civic Democratic Alliance, and Christian Democratic Party are complaining about your party, saying that it is stubbornly unyielding but that it itself changes its own opinions—for instance, on the establishment of the Senate or territorial and administrative reform.

[Zieleniec] All of the coalition parties must change their stances if they want to arrive at a compromise. For instance, regarding the Senate, we were very far from a compromise, but today we are close to an agreement. This is normal in a coalition. Problems arise only when sharp rhetoric between individuals and disputes of prestige prevail over matter-of-fact arguments.

[MLADA FRONTA DNES] Tomorrow, however, the government has to approve the bill on the establishment of higher administrative units....

[Zieleniec] The situation today is not suitable for adopting solutions that will last for decades. If we make a final solution now, we will divide our society, individual parties, the coalition, and the government. I consider it parliament's mistake to have strictly demanded from the government that it present the bill by 30 June and that, if it does not, to threaten with a vote of no confidence in the Cabinet. Parliament has created an urgent problem over the matter of territorial and administrative units, which is not an urgent problem at all.

[MLADA FRONTA DNES] Do you then believe that the government should ask parliament to extend the 30 June deadline rather than discuss once again Kalvoda or someone else's bill?

[Zieleniec] Yes. In my opinion, the government should openly announce that they do not have a clear-cut opinion on the territorial setup because there is no clear-cut opinion on this matter in our society, either, and that it has decided to establish higher territorial and administrative units as a link between communities and the center, but that it deems necessary that the opinion on the matter should mature in society. Only then should a solution be proposed. At the same time, the government should ask parliament to provide it with the needed time. As I said at the most recent meeting of the government, I imagine that the government could link such a resolution to the demand for confidence.

[MLADA FRONTA DNES] Does your idea anticipate the agreement in which Prime Minister Klaus believes?

[Zieleniec] I have expressed my personal opinion. I am afraid that, in a hectic atmosphere, the government could adopt some hasty and ill-conceived bill. This would solve nothing, the number of unclear problems would remain the same, and the never-ending disputes would only move into parliament.

Chemical Industry Linked to Russian Mafia

AU3006174594 Prague RUDE PRAVO in Czech 28 Jun 94 pp 1-2

[Article by "(kv)": "The Interior Ministry Is Investigating the Connection Between the Czech Way and the Russian Mafia"]

[Text] Prague—A connection between the Czech way of privatizing and restructuring the petrochemical industry and the Russian mafia cannot, at the moment, be confirmed or denied. "At present, the interior minister has at his disposal on this issue only a disparate and miscellaneous set of reports of varying significance, including reports from open sources on whose basis an analysis is being drawn up, said Interior Ministry Press Spokesman Jan Subert to RUDE PRAVO.

MLADA FRONTA DNES reported on 27 June that "some firms may be forging business contacts with Russian oil companies affiliated with the local mafia" and that Trade and Industry Minister V. Dlouhy is a "silent patron of the Chemapol company, which should play a key role in the Czech way." This accusation was categorically denied by both Minister V. Dlouhy and Chemapol Director General V. Junek.

The Interior Ministry's spokesman also told RUDE PRAVO that Minister J. Ruml had asked specialist units within the Interior Ministry and not the intelligence services, as MLADA FRONTA DNES reported, to prepare an analysis of the reports relating to the privatization and restructuring of the petrochemical industry.

"Suspicion about the involvement of criminal mafias in the Russian oil branches and the strange ties between the Czech petrochemical industry and certain highly placed individuals" have, according to Subert, been expressed by our and foreign politicians. If the conclusions reached by the analysis are pertinent, they will be submitted to the economic ministers, he said. The Chemapol shareholding company, one of the largest Czech commercial organizations, is the primary importer of Russian oil to the Czech Republic. Its capital inputs into the chemical enterprises should amount to 3-4 billion korunas. The government has already approved the sale to Chemapol of 25 percent of the shares in one of our fuels producers, Kaucuk Kralupy. In its proposal for the Czech way, Chemapol asked to purchase a 15-percent stake in another of our refineries—Chemopetrol Litvinov. According to RUDE PRAVO's information, this proposal was rejected by the Trade and Industry Ministry, however.

Czech, Slovak Arms Factories Compete

94CH0303B Prague MLADA FRONTA DNES in Czech 4 Jun 94 p 1

[Article by km: "In the Competition Between Arsenals, the Slovak Ones Are Gaining"]

[Text] Brno (km)—Although production in the arsenals in Slovakia has declined by 90 percent over the past five years, many specialists admit that the Slovak armaments industry outstripped its Czech competitors at the international IDET [expansion not given] exposition in Brno in the area of heavy weapons.

Businessmen attach particular value to the self-propelled Zuzana howitzer gun, which is designated to be the first military materiel flowing from the production of post-communist arsenals. It is comparable with the NATO system.

Pavol Kanis, Slovak minister of defense, stated yesterday that the Slovak Army will include the howitzer in its equipment holdings after thorough testing.

The tough competitive battle between Prague and Bratislava was most clearly visible regarding the modernized T-72 tanks. The improved version of this old Soviet tank, which was being developed separately by both sides and which was exhibited at the exposition only several meters apart, contained laser range finders or sets for improved impact resistance on the front face and sides of the tank turret.

The Czech modernized T-72 tank is supposed to be called "Viktoria," in accordance with the Christian name of the new lady director of the RDP Group armaments consortium—Hradska.

Andrej Sabol, state secretary of the Slovak Ministry of Defense, noted yesterday in Brno that the Slovak philosophy in producing weapons is primarily guided by the need to have people working and to have firms soon operating with new technologies. Currently, however, he gave the assurance that Slovakia has "100-percent control as to where exports are being directed and from where it imports weapons."

The competition between Czech and Slovak arsenals is being followed very carefully, particularly after the chiefs of the defense ministries of both countries let it be known that priorities in rearming the Armies will, to the extent to which the quality of their production permits, be assigned to domestic enterprises.

Moravcik Responds to Opposition Criticism

AU3006171394 Bratislava SMENA NA NEDELU in Slovak 24 Jun 94 p 5

[Interview with Prime Minister Jozef Moravcik by Alena Melicharkova; place and date not given]

[Text] "The new coalition has unquestionably managed to assert a new style of government. Moravcik's good-natured demeanor and his unshakeable composure illustrate the will to placate the situation on the domestic political scene and to ease relations with neighboring countries... The image of a Slovakia striving for consensus is slowly enveloping the image of convulsive nationalism." So much for the quote from LE MONDE of 16 May 1994. On the other hand, the opposition, in harmony with its role in a parliamentary democracy, is attacking the government and making all sorts of accusations... Today, in an interview, we bring you the view of the head of government, Jozef Moravcik.

[Melicharkova] The current opposition is incensed that one of the reasons for the recall of its government was its unacceptability abroad, while, apparently, it achieved important results. Could you define your reasons more precisely? How is your government accepted, and what evidence do you have of this?

[Moravcik] It is a fact that, at that time, foreign countries quite openly and on an official level made clear and presented their assessment as follows: The policy of the Slovak Government is not very clear-cut. It is not clear to what extent the apparent effort to cooperate is genuine. Moreover, some government members behaved quite irrationally. Ministers whose responsibilities lay elsewhere commented on foreign policy issues. They implemented various negative measures—for example, in connection with Radio Free Europe. It was the same with the "signposts" affair and all sorts of statements that literally confused opinion abroad. It was very difficult to guarantee implementation of the main foreign policy principles, especially as far as integration into West Europe is concerned. This was also manifested in the attitude of foreign investors to our country. We can take the statistical values in the Czech Republic, Hungary, or Poland—that is, the countries with which we form a heterogeneous group—and make a comparison. That is, the participation of foreign capital is also reflected in the acceptability of the government abroad. How is our government accepted, and what evidence do we have of this? The period we have been in government is short. One hundred days... It is indeed enough to read how the foreign press refers to Slovakia and to compare this with the previous articles. You will spot a considerable difference, and I firmly believe that the changed attitude toward Slovakia will also be manifested in the increased number of foreign investors in our economy, which, admittedly, will take some time, but I believe will be very soon.

[Melicharkova] Your predecessor has accused members of your Cabinet of indulging in tourism, instead of making official visits, at the taxpayers' expense, the results of which are not known. For example, in Paris...

[Moravcik] All of the visits were covered by the mass media. Their frequency was greater and natural at the beginning. In many respects, cooperation among the departments was deficient. The ministers and their representatives considered it important to eradicate this deficiency and to guarantee cooperation with their partners abroad. It is the duty of government members to attend to foreign contacts. Many agreements were concluded on these visits that have been reflected positively, first and foremost, in the economy of this state, in the spheres of protecting investments, foreign policy, defense, the Army, the interior, the environment, and so on. The visit to France was very pragmatically oriented and specific. Many important projects were discussed. Perhaps the most important of these are cooperation in the completion of the Mochovce nuclear power plant, cooperation in the gas and automobile industries, and so on. If the things agreed upon are realized, which also depends on the absorption capability of our entrepreneurial sphere, this will soon evince itself in our economy. It is important that this cooperation is also oriented toward the regions affected by the highest unemployment—that is, our visit was also aimed toward resolving these problems. We also proceeded from the fact that commercial relations with France and economic relations, in general, are, as far as the participation of French investors in our country is concerned, way behind their potential. Each government must also make sure of a certain diversification in commercial cooperation. So, the visit to France may mean a turnaround in the aforementioned relations, which may also have interesting consequences in other spheres. We also achieved interesting results during our visit to Slovenia. Apart from the normal exchange of goods and commercial relations, we can forge very effective cooperation, especially in constructing north-south trunk roads.

[Melicharkova] Privatizing the gas industry apparently may cause extraordinarily serious complications in relations with Russia. We are merely a transit country, which could, however, come to an end. What horrors are you preparing for us in privatization, since opposition politicians are issuing such warnings?

[Moravcik] As far as privatization in the gas industry is concerned, the state should, according to the concept approved, maintain a 67-percent interest. This is an extremely high level—above the norm. This percentage will enable the state to maintain considerable influence, and it can push for everything that it considers to be important for protecting its interests. There can be no risk to any state interest. We will thoroughly respect all of the treaties concluded with the Russian Federation. So, even from this point of view, there can be no complications in our relations.

[Melicharkova] Do you think people who enter into politics enrich themselves? Some politicians say about

others that they are entering into politics merely to get rich. How have you enriched yourself in politics?

[Moravcik] If I had wanted to get rich, I would not have gone into politics. No one gets rich from politics anywhere in the world, except perhaps crooks. However, the system then casts them out and they end up bankrupt. As far as my getting rich is concerned, the only thing I would venture to do if I were to finish with politics would be to replace my 12-year-old Skoda. Even then, I would replace it not with an exclusive model but with a medium-range one, and perhaps I would have something left for a vacation. But nothing more.

[Melicharkova] There was a great deal of talk about gradual resignations, by degrees, from the Movement for a Democratic Slovakia [HZDS] and the establishment of the Alliance of Democrats, later the Democratic Union of Slovakia. You were one of the people who decided to leave and start again. Could you now, with the passage of time and without emotion, tell us what caused you to take this step?

[Moravcik] I consider the creation of a structure that would be stable to be the most important issue of Slovak politics. It is a prerequisite for achieving long-term political stability. Without it, it is hard to imagine that we would fulfill our aims and resolutions as far as Slovakia's development is concerned. Everything I have done so far, all my decisions, are associated with this idea. When I entered politics, I had from the beginning the notion that I could contribute toward creating a party that would be liberally oriented and would occupy a central position in the structure of political parties. In my opinion, a party of this type is extremely necessary for the Slovak political scene. If I am successful in this, I will have fulfilled the resolution with which I entered politics. The fact is that, after the breakup of the Public Against Violence movement, some other deputies and I formed a center group. That was the first attempt. After weighing all of the circumstances and issues, we came to the conclusion that this was still impossible. Several of us decided to join the HZDS because we saw the possibility there that a party of this type could be established on such a platform. Some considered the possibility of orienting themselves in a social democratic direction. I also entertained such considerations at one time. I oriented myself within the HZDS toward cooperation with people like Michal Kovac and Rudolf Filkus. These were people who had similar political ideas. Developments indicated, however, that the ideas with which we came into this movement could not be realized. Therefore, we found ourselves in the situation we are in now; we are trying to form the party of which I have spoken.

[Melicharkova] What was your relationship with the HZDS leader? You could be close to each other; after all, you are both lawyers...

[Moravcik] My attitude toward Mr. Meciar was always correct, right until the end. It is a fact that the leader of the HZDS later persisted in adopting a decidedly critical tone against me. I have to admit that there was also criticism on my part. Each of us made this clear in his own specific way. When I decided to join the HZDS, which Mr. Hofbauer, a leading representative of the movement, witnessed, I indicated that I had certain reservations as far as the movement's leader was concerned. He told me that he also had some reservations but that did not mean that we could not work together within the movement. Because I relied on people in the movement—I have mentioned them—who were leaving gradually, it became obvious to me that I would also part ways with the HZDS. The fact that the HZDS was embarking on a different road, at variance with the original declarations made in the movement's basic program, was also a significant reason. Instead of a specific regime of cooperation, exceptionality and the feeling of exceptionality were being asserted more. Exceptionality is associated with confrontation. These aspects gradually began to frustrate me more and more until, after I had made an unsuccessful attempt to execute a change within the HZDS, it ended in my expulsion from the HZDS.

Believing in exceptionality is dangerous. That is, if a political entity thinks that only it can implement the interests of the state and only it can execute state authority effectively, this is the first step toward merging the party with the state. This was shown in the way the HZDS apparatus became intertwined organically with the state apparatus. If someone is convinced of his exceptionality and others do not want to accept it, he is aggressive. From this point of view, a confrontationist policy is natural for him.

[Melicharkova] After your government came into office, there was a change of personnel in various posts in the state administration. The opposition says that radical purges are taking place for purely political reasons. In accordance with which criteria were the changes implemented?

[Moravcik] This is closely linked to what I have already said. The process of a party growing out of proportion and turning into the state apparatus is very harmful. Therefore, we set ourselves the aim of making a radical change—depoliticizing and stabilizing the state administration. This is closely associated with professionalization. Establishing a state administration this way can be guaranteed by approving a law on civil service, a law on so-called tenure. We had to make changes in those places where the state administration staff were acting along party lines. This is quite logical for asserting the principle of depoliticizing the state administration. Therefore, we decided to draft and defend in parliament a law on civil service.

[Melicharkova] "Moravcik wants to have the savings bank under his control, although this presents a threat to the institution at a time when it is overcoming a critical period in its existence," claimed V. Meciar in an interview for SMENA NA NEDELU...

[Moravcik] I can give you a simple answer. This is an absurd claim. The tone of the idea expressed in the aforementioned statement is very dangerous. If I were spiteful, I could say who controls the savings bank. I could say that representatives from this financial institution take part in HZDS party rallies. I would not like to draw such a conclusion from this. Few financial institutions have been privatized. There is quite extensive state influence in them. This is also true in the case of the savings bank. This obviously leads to the idea that politicians would like to gain control of these institutions and then influence political life. It is only possible to expel such a danger by privatization. Then the whole financial sphere will be administered rationally. We could analyze some of the measures the former government took in connection with the financial institutions. We would uncover many irrational things there. If we were to allow our fantasies to run away with themselves, we could also associate this with specific party influence. That would be idle thinking, however.

The important thing is to develop a mechanism so that something like this does not happen. This, however, is conditional upon privatization. Complete privatization in these sectors would be hard to implement, however, because it is necessary to adopt recovery measures throughout this sphere, and that takes time. For this reason, the negotiations with the IMF are important. If we were to receive standby credit, we could open the way toward a restructuralization loan from the World Bank. The whole process is very demanding, it takes time, and we would like to attain a certain solution in this short period.

[Melicharkova] Our electoral system apparently does not correspond to the modern development trends. The tendencies in Europe apparently are moving toward postal ballots and away from a personal visit to the polling station. You were foreign minister. Did you come across anything like this?

[Moravcik] I have to admit humbly that I did not encounter anything like this. I have no such information. It is possible to imagine such a system as long as people can be identified and there is absolutely no possibility of electoral fraud. If such a system were found or devised, it would be quite feasible. However, the special atmosphere of the election act, which is associated with traditional voting, would be lost.

[Melicharkova] The opposition also has reservations about the approved election law. Apparently the elections can be manipulated, and not delivering the ballot papers will cause lines in front of the polling stations...

[Moravcik] I have had the impression since the first speeches that the election campaign will be so intense that all of the voters will be very well acquainted with the individual parties and their numbers. Therefore, they will be able to make their decision in the polling station very quickly, and the election act will proceed expeditiously. As far as anxiety about manipulation is concerned, there are traditional mechanisms contained in the law to guarantee democratic elections. We have already tested them twice. They worked and they will work now.

[Melicharkova] Many people are saying that your government is adopting very restrictive measures, and, at the same time, the elections are looming. Although the situation requires that measures of an unpopular nature be taken, popular measures are mostly taken before elections. Are you aware of the paradox the government is presenting itself with before the elections? How do you intend to appeal to the voters?

[Moravcik] We are aware of it. We had to discuss this very decisively, and the decision was not easy. Rational reasoning about the need to take these measures prevailed, however. They are necessary so that we can guarantee development into the future. If we had not respected this fundamental requirement, we would have been untrustworthy as politicians. Therefore, we chose what is right for Slovakia, and we are banking on our voters being mature enough to understand. A much more attractive possibility presented itself—making use of all of the external effects the execution of political power brings, postponing such solutions, and devoting ourselves to the voters and winning their votes.

[Melicharkova] On the other hand, the opposition parties have been saying recently that the planned pensions increase is a populistic preelection measure...

[Moravcik] We have one important principle in the government's policy statement that predominates there. It is the social tolerability of transformation. We would be very poor and irresponsible politicians if we took measures and did not consider their social impact. From this point of view, this measure is fully justified, and, perhaps, there will be even more of them.

[Melicharkova] Thank you for the interview.

Ethnic Hungarian Paper Criticizes Duray

94CH0283A Bratislava UJ SZO in Hungarian 17 May 94 p 4

[Editorial signed by Jozsef Szilvassy, editor in chief of UJ SZO: "At the Crossroads"]

[Text] I observe with ever greater concern our ethnic Hungarian political life here in Slovakia. I ask myself, and we ask one another: How far can the tension be increased, how long is it possible to maneuver with insinuating statements and to mask essential moves?

Last week the Hungarian Civic Party unveiled in our paper a plan that is based on the appeal urging the formation of a three-party coalition and could serve as the basis for negotiations. The Hungarian Christian Democratic Movement proposed more than two weeks

ago that it finally sit down to the negotiating table with the leadership of the Coexistence Political Movement, on renewing the agreement on the two-party election coalition and choosing a potential third political partner.

For days, hardly anything newsworthy surfaced within and around our political parties. Talks began between representatives of the two parliamentary groups, but the press—and hence also the general public—has learned very little about what transpired in the exchange of views so far. However, this much is certain: an agreement on renewing the two-party coalition has not been signed to this day, although we have been hearing and reading up to now how successfully this coalition has been functioning during the past two years, aside from some minor problems. Then why can't the agreement be renewed as soon as possible?

Often there may be chattering at the top, but the grassroots are not silent either. Several local organizations of our three political parties have already concluded such an agreement, the earliest possible detailed elaboration of which they are expecting from those for whom they had voted two years ago. Most recently, an agreement that could serve as a model was concluded in Komarom [Komarno], between the municipal organizations of Coexitence and the Hungarian Civic Party, respectively. The list is growing of the prominent ethnic Hungarian public figures here in Slovakia who have added their signatures in support of forming a three-party ethnic Hungarian coalition.

Embarrassment and occasionally outright disdain has been the response to these spontaneous initiatives. There was one representative who disapproved of the cooperation agreement between local organizations, regarded it as an attempt to exert political pressure, and even lectured the agreement's signatories on when, in his opinion, they should resort to such a solution. As if the actions of the simple officials and voters had not been motivated by their sincere intentions and sense of responsibility for questions of vital importance to us all. As if the representatives and leaders were not the ones who should be paying attention to the voters' opinion. And who could seriously believe that the prominent public figures signed the mentioned appeal under pressure or as a result of manipulation? Who in his right mind could imagine that Kalman Janics, Lajos Turczel, Arpad Tozser, or other notables whose life work and careers to date are a moral guarantee, and whom not even decades of various intrigues were able to force to tell political or professional lies, now suddenly have ceased to be guided by their conscience and have ceased to heed the general interests of Slovakia's ethnic Hungarians?

This was the atmosphere in which Coexistence's call appeared last week. Its gist is that a union, rather than a coalition, should be formed, because such a framework "would politically unite Slovakia's entire Hungarian ethnic collectivity and would create a legal basis for representing all ethnic Hungarians in Slovakia."

This call certainly produced astonishment. The Hungarian Christian Democratic Movement has not adopted an official standpoint, but Bela Bugar and Gabor Agardy do not support this idea, because a suitable conceptual plan and time for it are lacking. In the interest of securing the conditions for engaging in politics jointly, the Hungarian Civic Party would like to discuss this proposal as well. Gyula Popely clearly favors the idea of a union.

As a rule, the one and only true solution does not exist in political decisions. There are only good, bad, and worse alternatives. Only from this point of view can the impartial observer consider the choice between an election coalition and a union.

In any event, it is a warning sign that the three future ethnic Hungarian political partners do not yet know anything about the union's legal and political concept or about numerous important details. Sunday evening, in response to my question, Miklos Duray confirmed that this was true.

Without any intention of giving offense, I will say what I am assuming. With this call Miklos Duray and his circle of advisers are striving to maintain his dominant role in ethnic Hungarian public life in Slovakia, while attempting to blur or at least diminish his political mistakes.

Today Miklos Duray still holds the baton within the Coexistence Political Movement. However, relatively many people have been disappointed with his politics, and this has been confirmed unambiguously by various surveys. And yet, personal bias or misinterpreted party interest would have to be motivating anyone who passed harsh judgment on the movement's chairman. A nuanced analysis of his activity to date could and should be undertaken only in a political-science study. On this occasion I would merely like to highlight here a few considerations.

We must not forget that, under the former political system, Miklos Duray was active in politics more honorably than many of us. Even when subjected to repeated harassment and kept in custody on remand, he did not harm those of his helpers in the work of the legal aid committee who now are active mainly in the Hungarian Civic Party. It would be a mistake to summarily rate as ineffective the ethnic Hungarian parliamentary coalition's two-year activity. The coalition certainly deserves credit for the Komarom congress whose political culture and all approved documents met European standards and pointed the way for us ethnic Hungarians. The hallmark of the ethnic Hungarian parliamentary coalition's sense of reality is also the fact that its members are showing self-restraint during these weeks, without sacrificing their principles. By refraining from rash statements and impatient behavior, they are not making even more difficult the situation of a government that will be short-lived anyhow.

All these positive facts can be attributed, in my opinion, to the parliamentary representatives' and other experts' willingness to compromise. As a politician, Miklos Duray demonstrated foresight and excellent analytical ability in the past decades and even in the early 1990's. For instance, he recognized Meciar's serious mistakes and real intentions already when politicians of the FMK [Independent Hungarian Initiative] were still moving about under the former prime minister's magic spell. Lately, however, Miklos Duray has lost his sense of proportion. I am convinced that he has done so primarily because, in his objectives and methods, he has come increasingly under the influence of the MDF [Hungarian Democratic Forum]; and, for the most part, so has Coexistence politics—one can only assume for what ideological, current political and financial reasons. For a time, the party chairman denied this, at least in words. But gradually, and quite unambiguously during the election campaign, he committed himself as a staunch adherent of the ruling party in Hungary. And he did this long after several founding members of the MDF and noted personalities—Gy. Csaba Kiss, Jozsef Debreczeni, and others—had recognized a sharp contradiction between (1) the original principles of one of the catchall parties that brought about the change of political systems, and (2) this party's policies which piled mistake upon mistake. From this contradiction, these founding members had drawn the appropriate conclusions. Duray's one-time comrades in opposition and tribulations, who remain his true friends even today, warned him weeks ago of his mistakes, gently but firmly. And those who are politically active within the SZDSZ [Alliance of Free Democrats] or even within the MSZP [Hungarian Socialist Party], which Miklos Duray attacks, are also standing up for the collective rights of the minorities beyond Hungary's borders, and are supporting the autonomy demands of these minorities. They are doing so merely by other means—not with nostalgia for the fallacies of the past century, with insensitivity toward neighboring peoples, or with bombastic phrases, as the MDF has mostly done, but by seeking partners for the noble cause in Western Europe and among the democratic forces in the neighboring countries.

We also cannot overlook Miklos Duray's inability, as a result of such political activity, to dispel—even among the handful of unbiased Slovak intellectuals who are well disposed toward the problems of the minorities—the suspicion that territorial autonomy is not his sole final objective.

These are the facts on which I base my assumptions regarding the real purpose of the proposed union. In politics, yesterday's merit does not absolve today's mistakes. The Independent Hungarian Initiative also played a decisive role in the change of political systems in our region; and its participation in government was not just characterized by failure; yet it too had to confront its mistakes. I am convinced that, to a large extent, they have already learned their lesson from the recent past and that in urging a three-party coalition, they are not motivated primarily by personal ambitions or shrewd party political considerations.

Miklos Duray's political importance would not decline but would rise significantly, if he were to review the scale of values he and his political movement have been observing up to now, and especially their relations with Hungary. We all would be worse off if he and our political movement with its substantial base were to remain on his self-created, forced path.

In addition to my reservations presented above, numerous doubts arise in conjunction with the proposed union, about joint domestic and foreign policies, the proportions of seats for the individual parties, and about many other essential questions. For the devil is in the details, is he not?

The conceptual plan that is being elaborated might provide answers to these questions. But that still leaves the big question: what standpoints would the governing bodies of the Hungarian Christian Democratic Movement and of the Hungarian Civic Party adopt, and would there be time for negotiations and for the elaboration of a viable alliance?

Kanis on Need for Military Intelligence Service

LD3006190894 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 30 Jun 94

[Excerpts] [Announcer] The major part of the parliamentary session this afternoon was devoted to the proposal presented by Defense Minister Pavol Kanis. At this moment, the minister is a guest in our studio. Minister, the deputies have approved the defense doctrine of the Slovak Republic without any major debate. What does this mean for our future?

[Kanis] The debate was very interesting, and it was time that, after a year and a half of the Slovak Republic's existence, such a document on the defense of our independent state was approved by parliament. The importance rests in the fact that it presents a coherent idea and our state's self-reflection on its own defense. It is also a document that forms the basis for the elaboration of the Slovak Republic's defense in further documents that have been approved or are under preparation and will be discussed by the National Council.

[Announcer] Jan Slota, an opposition deputy, has reproached you, saying that the defense doctrine was referring to a nonexistent security policy.

[Kanis] [passage omitted] How come we do not have any security policy? I can name you a number of documents that have already been adopted either by the State Defense Council, the defense minister's advisory body, or here in the National Council. I will try to enumerate the documents that have been prepared and that are to be approved.

I will begin with the defense doctrine adopted today. Before this document, the strategic concept of the

defense of the Slovak Republic was adopted by the State Defense Council, which, in fact, is an elaboration of the details of the Slovak Republic's defense. The action plan for the defense of the Slovak Republic has been adopted, as well. The State Defense Council has adopted the concept of the Slovak Republic's Army until the year 2000. Several other laws have been approved by the government's Legislative Council, among them the law on the Army and the defense law. The law on the conditions of service and the law on defense duty have also been prepared. I could go on like this in enumerating other things.

[Announcer] Minister, shortly before Radiozurnal went on the air and after a long debate, the deputies also adopted the bill on the military intelligence service. The majority of questions or concerns were voiced in connection with the consideration of whether Slovakia, as a small state, actually needs to keep two intelligence services, the already existing Slovak Intelligence Service and the emerging Military Intelligence Service.

[Kanis] It is interesting to note that questions concerning the setting up of some new institutions or structures are often related to whether it is financially advantageous for us. The question could be whether Slovakia really wants to be free. If that is the case, it needs more than one source from which to gain intelligence. We have the Slovak Intelligence Service so far. However, there is no army anywhere in the world without its own military intelligence.

In fact, the Military Intelligence Service did exist already, be it as a Military Defense Intelligence or Intelligence Office [zpravodajska sprava]. So, by the adoption of the law today, this activity gets legal grounds. Various preceding legislative measures simply did not deal with this issue, however odd this may seem.

[Announcer] Another controversial point, which has attracted several amendment proposals by several deputies, is the command of the Military Intelligence Service. This command is to rest with the defense minister. Is there not a possibility that this function will collide with the minister's political affiliation and party interests?

[Kanis] I do not think this is going to be the case because, in the post of defense minister, there should always be a person who views the Army as a neutral political power with regard to the domestic political situation and as a political power with a role in the defense of its country. So, in this respect, I can see no reasons for any threat to the security of our country.

Kuncze Comments on Duties as Interior Minister

LD3006120194 Budapest Kossuth Radio Network in Hungarian 0445 GMT 30 Jun 94

[Excerpts] [Announcer] The social-liberal coalition has created a new, previously nonexistent post—that of coalition deputy prime minister. The person designated to hold the position is Gabor Kuncze, deputy from the Alliance of Free Democrats [SZDSZ], who is also interior minister-designate. I greet him here in the studio.

Will you consider yourself to be primarily interior minister or coalition deputy prime minister?

[Kuncze] Primarily interior minister. My task will be to lead the Interior Ministry. Following from the coalition agreement, I will have various tasks related to the other post as well. My being designated as coalition deputy prime minister means that within the coalition, I, on behalf of the SZDSZ, shall exercise the rights stemming from the coalition agreement. [passage omitted]

[Announcer] In the new set-up, the Interior Ministry is an internal affairs ministry and not a security affairs ministry. Obviously, reorganization will be necessary. If this is so, how large-scale will it have to be?

[Kuncze] On the one hand, I feel that the reorganization—aimed at the Interior Ministry being a civilian ministry—took place over the past four years. Therefore, basic changes are not necessary. On the other hand, this of course is a process that has not yet ended; the process should be completed in the next parliamentary term. I am saying this because I should like to indicate that in my view there is no need for very major changes.

[Announcer] As regards personnel changes, we already know who the political state secretary will be. But what other personnel change will there be?

[Kuncze] The political state secretary will indeed be someone different because people holding political posts are naturally replaced when there is a transfer of power. Personnel changes can otherwise be expected to a limited extent only. I shall not deal now with these possible changes.

[Announcer] What kind of relationship do you envisage between the police and the ministry? Do you want to alter the current situation—that the police belong to but are not directly controlled by the Interior Ministry?

[Kuncze] It would not be fortunate to control the police directly; indeed several people suggested in the past parliamentary term that it would be good to create a police ministry. We are not thinking along these lines, but the relationship between the Interior Ministry and police is an area where we must do something. A reorganization of some type is expected here.

[Announcer] Allow me again to ask about personnel issues. General Sandor Pinter [national police chief] has said that he will step down, but he would very much like to stay on. And you said on some occasions that you trust in him.

[Kuncze] Yes, General Pinter said on several occasions he would offer his resignation to the new government. I, on the other hand, believe that he performs his duties well and I really do trust in him.

[Presenter] So he will remain?

[Kuncze] Yes, I think he should remain. [passage omitted]

Cites 'Possible' Personnel Changes

AU3006173994 Budapest MAGYAR NEMZET in Hungarian 30 Jun 94 p 7

[Interview with Interior Minister-designate Gabor Kuncze by Noemi Sumegi; place and date not given: "Government Portraits—Almost All Areas Are in the Cross Fire of Debates—Gabor Kuncze on Deficiencies, Personnel Changes, and That He Himself Is a Fradi Supporter"]

[Excerpts] We interviewed Interior Minister-designate Gabor Kuncze, coalition deputy prime minister of the Alliance of Free Democrats [SZDSZ], on his plans, his relationship with the police, and some piquant issues.

[Sumegi] You were the SZDSZ's prime minister candidate during the campaign. When the deputy prime minister's position was created, was it certain that you would occupy it?

[Kuncze] I would first like to emphasize that this is not a deputy prime ministerial position in the classical sense of the word; the person who fills this position is only a coalition deputy of the prime minister, which means that this is the way we manifest the SZDSZ, one of the coalition partners. The coalition deputy prime minister is the person who exercises the SZDSZ's right to coordinate with the government. [passage omitted]

[Sumegi] As an engineer and an economist, do you consider yourself suitable to fill the position of interior minister?

[Kuncze] The question is whether a person with three high degrees is suitable to be a minister if these degrees do not fit into the ministry's range of activities. The position of interior minister is mainly a political position, especially in the current government coalition. This ministry is of great importance and its leader embodies the other coalition partner. [passage omitted]

[Sumegi] What will be your first tasks?

[Kuncze] The task is given because, according to the coalition agreement, the local government elections will be held in November and until then—also according to the coalition agreement—we have to amend the laws on local governments and the electoral law for the capital and the local governments. Therefore, this is the first

legislative task. I still have to gather information on the issues to follow this; there must be some organizational tasks in the Interior Ministry that could not have been completed before and these must obviously be implemented. Personnel changes are also possible; these are also part of the initial period. In addition to these, there must be many issues in progress that I am not familiar with and which will also have to be dealt with. [passage omitted]

[Sumegi] I cannot avoid mentioning that the same policemen who, at the time, insulted SZDSZ's members and twisted Janos Kis' arms are still serving now .

[Kuncze] It is possible that the police has the same people but that it is completely different in its tasks, attitude, and goals. A significant progress was made between 1990 and 1994 in depoliticizing the police. In 1994, this question is not timely anymore.

[Sumegi] Do you actually like policemen?

[Kuncze] [passage omitted] I believe that the police will be a body that can be respected if it provides a service for the honest citizens and acts firmly against criminals, thus improving the sense of security for all of us.

[Sumegi] What kind of Interior Ministry do you envisage? Do you promise a strong or a citizen-friendly police?

[Kuncze] Both are needed: We need a determined and citizen-friendly police. [passage omitted]

Keleti Discusses Streamlining Defense Ministry

AU3006173894 Budapest NEPSZABADSAG in Hungarian 30 Jun 94 pp 1, 4

[Unattributed report on interview with Defense Minister-designate Gyorgy Keleti; place and date not given: "Keleti Speaks About Streamlining the Defense Ministry"]

[Text] The future defense minister told us that the size of the Defense Ministry should be determined according to the tasks stipulated by law. The number of Defense Ministry employees was slightly above 130 in 1990; today this number is between 320-340. In Keleti's view, with the elimination of double functions and the clarification of authority, a ministry of 200-250 people could emerge.

Regarding the fusion of the Army headquarters and the Defense Ministry, Gyorgy Keleti said the following: "We must find out what exactly prompted the Defense Ministry to initiate the organizational fusion of the Army headquarters with the Defense Ministry. We must have a look at the experiences gained by the committee that dealt with this issue under the leadership of Rudolf Joo. However, I think that one of the first measures of the new government will have to be to abolish the government order that provides deadlines for this fusion, precisely because it provides such rigid deadlines that, in my opinion, they cannot be met. After studying the experiences, we must decide whether the proposed fusion is really justified or not. I think the Defense Ministry has one task and the Army headquarters has another. Our Army leadership should receive sufficient independence to plan and lead their professional activity. A guiding apparatus must be created by reducing ministry personnel. Naturally, this issue will not be decided at the Defense Ministry."

Keleti pointed out that the Defense Ministry can make various proposals and the government can decide either to dismiss the fusion idea or carry it out at a proper time.

Keleti said that he was sure he would have harmonious relations with the generals and that he intends to act as a civil politician and not a "former colonel."

Great attention should be attributed to the task of improving the living and working conditions of professional soldiers. "Obviously, we will have to take some saving measures, but not among the troops. Savings should be primarily made among the leading organs and they will have to set an example of carrying out their activity with less expenditure under the reduced circumstances. Only in this way can we expect another spirit among the professional soldiers, too. It does not seem that private cottages or recreational facilities for generals will be built in the coming years," Keleti answered our question regarding the certain irritating forms of waste.

In connection with NEPSZABADSAG's information regarding the possible departure of Karoly Gyaraki, head of Military Intelligence, Keleti refused to discuss the matter, but he said that those who get to work in a different field or ask to be moved to a different field must receive an adequate position and optimal replacements should be found.

"For the position of administrative state secretary, I would like to win over a person who is well versed in the field of administration and military legislation. The Defense Ministry is facing the important task of submitting the bill on the soldiers' legal status, and this law should really contain the distinction that the professional soldiers deserve in their difficult service. We already have a candidate for this position," Keleti said.

Army Officer Foresees Reduction in Personnel

94CH0287A Budapest NEPSZABADSAG in Hungarian 21 May 94 pp 1,4

[Interview with Major General Sandor Nemeth by Attila Zsoldos; place and date not given: "Lack of Funds in the Military; Personnel Reduction Necessary, Commander of Land Troops Said"]

[Text] *In the near future, it will be necessary to reduce the size of personnel, because due to a lack of funds the present size cannot be maintained, Major General Sandor Nemeth, commander of the land troops of the Hungarian army, told our correspondent.*

[Zsoldos] Because there has been a decrease for years in the real value, as they say, of the budgetary subsidy, the army does not receive the money it would need for maintenance, development, and the improvement of the living standard of its professional staff. Which of these areas would you consider a priority?

[Nemeth] I consider the improvement, or at least stabilization, of the situation of the professional staff the most important. The personnel necessary for the functioning of the army should be retained by all means, but if the present situation becomes permanent, I do not see a chance for that.

[Zsoldos] Improvement, maintenance....

[Nemeth] Of course, these would be the next steps. I feel that in the next few years one cannot even think of serious improvement. I am certain of that. The condition of the present technological equipment can be maintained for a while by the purchase of various materials for improvement and maintenance. I emphasize: for a while.

[Zsoldos] If this is the case, how realistic is the goal for the Hungarian army to join NATO in the near future? Beyond the political decision, this step also involves conditions such as training and the refurbishing of weapons systems, the cost of which....

[Nemeth] Exactly. Based on my experiences in foreign service, it is obvious to me that there are very difficult conditions attached to integration. My Western colleagues told me clearly that we must conform to their conditions.

[Zsoldos] Is the expectation realistic that the political will can be implemented within a few years?

[Nemeth] I am certain that it will take a good many years before we become members of NATO. In an optimal case, conditions will be ripe by the turn of the millennium. Joining NATO cannot be separated from the country's economic situation. Before growth starts, we can only talk about pipe dreams, unless there is a crisis situation in the region which makes the army's interests a priority. We must unfortunately realize that whatever the composition of the next government, we cannot expect more money.

[Zsoldos] What is to be done then?

[Nemeth] They must make clear the direction of improvement for the army; namely, what they intend to do with the army.

[Zsoldos] Who?

[Nemeth] The politicians.

[Zsoldos] Exactly what kinds of decisions are you expecting?

[Nemeth] One must determine the tasks, the necessary size, and the amount they want to spend. The National Assembly must decide these issues. The implementation will be the task of the army's leadership.

[Zsoldos] How do you assess the past four years from the army's point of view?

[Nemeth] I consider it one of the greatest achievements that we succeeded in depoliticizing the army altogether. It is also a great achievement that in the course of the change of regime the professional staff was not destroyed.

[Zsoldos] Was there any intention to do so?

[Nemeth] I don't know. But I remember that in 1989-90 one could hear opinions that whoever graduated in the Soviet Union, or whoever has a Russian wife, must go. In my opinion, in this regard, the change took place smoothly.

[Zsoldos] Has society's opinion of the army changed since 1990?

[Nemeth] I can sense a certain amount of positive change, but we haven't nearly reached the level we would like to. The army is an integral part of society; it would be desirable if everyone thought that way and accepted that we were necessary.

[Zsoldos] Do you think people are still not aware of this?

[Nemeth] I don't think they are. Unfortunately this was compounded by discussions provoked by various groups about whether we should have a professional army. Whether there should be a draft, and so on.

[Zsoldos] Why is this a problem?

[Nemeth] Because this is not the important issue. The issues I just mentioned are material and financial in nature. As I said, first one should make a political decision about the place and role of the army.

[Zsoldos] How does the professional staff perceive the parliamentary elections?

[Nemeth] Of course there are hopes. After all, we are far from a mentality in which it doesn't matter whether the government is in a crisis or not, as it is customary in developed democracies. The hopes are not about whether the Hungarian Socialist Party [MSZP], the Alliance of Free Democrats [SZDSZ], or another party will gain power. What we are hoping is that maybe we will get more from the new government than from the previous one.

[Zsoldos] You said that you expected decisions on concrete issues to be made by politicians. What would be your answer?

[Nemeth] In my opinion, it will be necessary to reduce the army's personnel. This is obviously due to the lack of money. Because of our current financial situation, we cannot maintain the present staff. Of course, it is difficult to determine the critical point beyond which the

system can no longer function. One thing is certain: Something must urgently be done, otherwise there will be interruptions in payments and fuel supply.

[Zsoldos] Generally it is politicians who express their opinion about when and how Hungary can join NATO. As a high-ranking general, what would you point out in this respect?

[Nemeth] I would find it dangerous to commit ourselves too much in any direction. One must not establish too close ties with any country to the detriment of others, if only because of our historical experiences. In the framework of the Partnership for Peace program, multilateral cooperation must be established with Western member nations.

Foreign Minister-Designate Views Tasks

AU3006173794 Budapest UJ MAGYARORSZAG in Hungarian 30 Jun 94 p 3

[Interview with Foreign Minister-designate Laszlo Kovacs by Bela Jodai; place and date not given: "Quick Steps for Good-Neighborly Relations"]

[Text] [Jodai] What will your first tasks be?

[Kovacs] In connection with Hungarian foreign policy, we must review our most urgent diplomatic obligations, including my own trips and the reception of my partners, as well as the similar obligations of the president of the republic, the prime minister, and the chairman of parliament, because I am convinced that these trips and receptions must be coordinated precisely; it is not a good idea if Hungarian leaders keep calling on the same country or the leaders of the same country keep calling on Hungary. We must determine the quick steps with which we can start the changes in our relations with certain countries, and here I mean primarily Hungarian-Slovak and Hungarian-Romanian relations. The settling of bilateral relations is extremely important for both countries and the minorities living in these countries. In addition, I must thoroughly learn the economic situation of this ministry because I have heard alarming news of a serious budget deficit.

[Jodai] What changes are you planning in the Foreign Ministry personnel?

[Kovacs] We must examine the situation of the close to 24 ambassadors whose term is over and find the people whose continued activity is highly required by important interests; we must urgently speak to them and find out whether they can accept at least one more year of activity, and we must also take care of replacing those who have returned. Several other tasks are connected with this: We must select an administrative state secretary and see whether the deputy state secretaries will remain in their posts, because I know that there are people who intend to leave.

In any case, in a few days, I would like to meet with all the personnel at a conference in which I can present my ideas on Hungarian foreign policy and the activity of the Defense Ministry. I would also use this conference to calm the experts down: I will definitely count on anyone who can fulfill his task, irrespective of when or why he or she got into the Foreign Ministry apparatus or in a leading diplomatic position. In addition, I must form the group of my direct colleagues.

[Jodai] As foreign minister, which country will you visit first?

[Kovacs] Apart from the uncertainties regarding the trips to Warsaw and Triest, the prime minister designate has already announced that his first working visit will take him to Bonn and Vienna on his way back from Bonn, so obviously I will not have to visit these two countries in the near future. However, I find it extremely important to visit Brussels and make the organizations there clearly understand the intentions of the new Hungarian Government.

Committee To Supervise Duna TV Programs

LD2906183694 Budapest Kossuth Radio Network in Hungarian 1700 GMT 29 Jun 94

[Text] The government, which is soon to leave office, has ordered the establishment of a committee to supervise the programs of Duna Television. The government amended the foundation document of Hungaria Television Foundation so that representatives of professional and social organizations should have a majority in the supervisory body—which is to oversee political impartiality—and parliamentary parties can also delegate independent experts to the committee.

Gyula Kodolanyi, chairman of the foundation's board, stressed that the change of government has been taken into consideration to a large extent. Thus, the new government will have the right to appoint six members—three of them from Hungary and three from beyond the border—of the board of 16.

Red Cross Chapter Linked to Sugar Smuggling

94CH0307C Budapest NEPSZABADSAG in Hungarian 3 Jun 94 p 1

[Unattributed article: "25,000 Metric Tons of Smuggled Sugar. The Red Cross Also Helped the Shippers"]

[Text] The Gyor-Moson-Sopron County Chapter of the Hungarian Red Cross sold its duty exemption and thus aided the illegal importation of about 25,000 metric tons of sugar. On the initiative of the Gyor Regional Headquarters of the Customs and Revenue Police, several accomplices in the scheme to smuggle more than 500 million forints worth of sugar have been arrested.

Major General Mihaly Arnold, national commander of the Customs and Revenue Police, confirmed the information obtained by NEPSZABADSAG that the approximately 25,000 metric tons of sugar from western Europe were consigned as relief shipments to the region of former Yugoslavia. In Hungary, however, the sugar in the containers was replaced with clothing.

In recent weeks, sugar appeared on the market for a suspiciously low price of around 60 forints per kg, which was detrimental to the interests of Hungarian sugar-beet growers and processors. Firms that refused to identify themselves even phoned sugar factories and offered to sell them suspiciously large quantities of sugar. A license is required to import sugar, and it is subject to an 80-percent ad valorem duty. The sugar was smuggled into the country through several illegal channels. Officers of the VPOP [National Headquarters of the Customs and Revenue Police] have seized several shipments of contraband disguised as relief shipments.

Wheat Surplus Expected; Price Decrease Feared

94CH0307B Budapest NEPSZABADSAG in Hungarian 4 Jun 94 p 5

[Article by Gyorgy O. Horvath: "A Good Crop Could Create Problems. The National Association of Agricultural Cooperative Members and Producers Offers Proposals on What To Do With the Surplus Wheat"]

[Text] The grain harvest could soon begin. Nationwide, about 1 million hectares have been sown with wheat, and experts anticipate a good crop. Provisions will have to be made also for the storage and utilization of nearly 1 million metric tons of surplus wheat. This could create considerable problems for wheatgrowers. Therefore MOSZ (National Association of Agricultural Cooperative Members and Producers) has worked out proposals to alleviate the drop in prices resulting from the domestic market's anomalies and from oversupply.

In the opinion of MOSZ Secretary General Gabor Horvath, the decree on guaranteed prices is nine months too late in comparison with the Agricultural Marketing Regime Law. Pursuant to the provisions applicable to wheat, bulk purchasing of wheat at the guaranteed price—8,200 forints per metric ton for grade B/2 wheat—will be possible only as of 15 September. This means that growers will be vulnerable for two or three months after the harvest. Indeed, the bulk-purchasing organizations are already sending the growers amended contracts under which the organizations are willing to accept bread grain from growers only for 7,500 forints per metric ton.

According to MOSZ, there are several ways in which wheat dumping, and hence unrealistically low prices, could be avoided. One solution, for instance, could be to have the government pay 60 percent of the guaranteed price of wheat, between 1 July and 15 August, and have the growers store the wheat until 15 November. This program—under which an estimated 500,000 to 600,000 metric tons would have to be purchased—would require between 2.5 billion and 3.0 billion forints. In the end, however, the government's tab would be merely between 100 million and 150 million forints, because later on the government would be able to sell the grain.

The second proposal would be based, respectively, on the participation of the public grain elevators, and on bulk-purchasing at an intervention price between 1 July and 15 September. For their grain the growers would get negotiable warehouse receipts, which they could use as collateral to obtain loans of up to 60 percent of the guaranteed price. This solution would require at most 250 million forints.

It would also help if state stockpiles were replenished during the harvest, and if export subsidies were offered. Supply on the domestic market could be reduced by 500,000 metric tons in this way, by spending between 400 million and 800 million forints.

Karoly Botos, deputy chief of the Agricultural Market's Regulatory Agency, said that the FM [Ministry of Agriculture] has been negotiating on the outlined measures for some time with the other ministries concerned, but not much progress has been made so far, because the caretaker government is reluctant to make decisions involving the expenditure of billions of forints. According to the PM [Ministry of Finance], the balances on the export-subsidy and the agricultural-marketing-regime accounts would not be enough to finance such programs. Therefore, in Karoly Botos's opinion, there is very little likelihood of adopting programs involving bulk-purchasing at intervention prices, which would be the best solution. But talks are underway also on other possible state actions. For instance, on providing additional financing for Concordia Rt., which operates the public grain elevators; on reducing the rail freight tariff; on concluding barter agreements with the CIS countries; and on extending the growers' seed loans that otherwise would become due in August. The most likely solution to be adopted will be the introduction of export subsidies. But that will not help us much, the deputy chief believes, because the Hungarian wheat would be exported exactly during dumping, hence onto a depressed wheat market.

Dispute Over Pharmacy Privatization Viewed

94CH0307A Budapest NEPSZABADSAG in Hungarian 4 Jun 94 p 5

[Article by Erzsebet Nogradi Toth: "Dispute Between the State Property Agency and Pharmacists"]

[Text] *The Hungarian Chamber of Pharmacists believes that the AVU [State Property Agency] management's decision to suspend the privatization of pharmacies is against the law. In the opinion of Sandor Szabo, the chamber's chairman, the court decision settling the question of who owns the Bekes County Center of Pharmacies*

is not generally applicable. At yesterday's news conference, held jointly by the Hungarian Chamber of Pharmacists and the Ministry of Social Welfare, the establishment of pharmacies was discussed. It was also announced that, as of Monday [6 June], membership of the chamber would be mandatory for pharmacists.

Sandor Szabo, chairman of the Chamber of Hungarian Pharmacists, challenged the decision of the AVU management to suspend the privatization of 61 pharmacies announced earlier. In his opinion, the suspension was in conflict also with the resolution adopted by the AVU board of directors. Responding to a question put to him by our reporter, the chairman said it would have been more appropriate for the AVU to wait for the Constitutional Court's decision, which hopefully will be handed down before the court's summer recess. Sandor Szabo emphasized that, from the viewpoint of the 3,700 pharmacists, it was immaterial whether the state or local governments owned the county centers of pharmacies. But it is intolerable that, after years of preparation, the privatization of pharmacies should be suspended because of interpretation of the law.

Jozsef Hamvas, head of the Main Department of Pharmacies within the Ministry of Social Welfare, announced that the Law on Pharmacies would become effective in September. Pursuant to this law, the minister of social welfare will be able to approve the establishment of one public pharmacy for every 5,000 residents. In the case of fewer residents than this limit, an existing pharmacy may open a branch. In small settlements, physicians will be able to maintain and dispense their own small stocks of pharmaceuticals. One of the journalists noted that the Association of Hospitals has requested that the law be amended. Responding to this comment, the head of the main department said that, if parliament approved the association's proposal, which incidentally had the ministry's full support, then outpatients would be able to have their prescriptions filled at hospital pharmacies. It was also announced at the news conference that, as of 6 June, membership of the Hungarian Chamber of Pharmacists would be mandatory. Every pharmacist would have to apply for membership within 30 days.

MSZP's Csehak Views Health Care

94CH0304A Budapest MAGYAR HIRLAP in Hungarian 1 Jun 94 p 9

[Report on statement by Judit Csehak, health care expert for the Hungarian Socialist Party, by Peter Kertesz; place and date not given]

[Text] The health care programs of the Socialists, and presumably also of the rest of the opposition parties, were prepared without an chance to reconcile these in any way with the ruling parties' programs or to exchange ideas on the merits of the various programs. This is why one should not claim that the health care policy concepts of the various parties evolved on the basis of familiarity with the policy concepts of the other parties, according to Judit Csehak, referring to a statement by Laszlo Surjan published in MAGYAR HIRLAP, according to which the opposition parties had already cast their votes for the health care program the outgoing government has already launched.

Csehak, one of the creators of the MSZP [Hungarian Socialist Party] health care program, does not believe that the various programs can be compared on the basis of written declarations if for no other reason than the fact that there is much overlap. But there could be major differences in specific details, in the ways the programs are supposed to be implemented. Undoubtedly, the Socialist Party agrees with the idea of introducing health insurance—a concept it initiated—and with the need to develop the related system, Csehak added. The Socialists profess that every Hungarian citizen must have access to free basic health care services based on mandatory insurance. At the same time, however, the Socialists suggest that full-scale services be delivered by various owners [as published]. On the other hand, services provided by mixed owners [as published] must be purchased by a publicly financed health insurance system. This would not relieve the state and local governments from all of their obligations related to health care, Csehak stressed. Along with this concept, the Socialists assign a significant role to civic organizations and to supplemental health insurance programs to be developed by groups organized on the basis of occupation. The Socialists believe that a network of financiers is going to be able to provide more funds for health care. "Lacking funds, one cannot escape behind the facade of reforms, and make progress at the same time, because, in the end, it turns out that there is no money, that health care is under-funded, that the pay is low and that hospitals have become indebted."

The Socialists want to allocate more financial resources for health care, because contributions to the health care fund are not going to produce sufficient revenues to maintain a modern health care delivery system. For this reason, the state must provide funding for public health, health care education, prevention, the equalizing of regional differences, and for scientific research. At the same time, a standard health care fund must be allocated to local governments to finance the reconstruction of their devastated health care institutions. Thereby amortization would also be covered by the standard fund provided to local governments. Judit Csehak also mentioned the fact that the Socialists approve of performance-based financing, but in practice so far—with respect to both family physicians and hospitals—the system did not reward real performance. Therefore the system must be further refined, but insofar as the implementation of technical solutions is concerned, the MSZP does not assign the lead role to the ministry. The autonomous governing body of the health care insurance fund, as well as professional health care associations and trade unions, could play the lead role.

The basic principles espoused by the Socialists are not entirely different from those followed during the past

four years, Csehak explained. The Socialists do not deny the significance of changes in the health care system that have already been made. At the same time, however, the Socialists believe that these changes were, in part, not well prepared, in part underfinanced, and, in part, hastily implemented or over-politicized. The Socialists would like to depoliticize health care as much as possible. This does not mean that the Socialists plan to make comprehensive personnel changes, or to purge the staffs of these offices. Instead of making personnel changes, the Socialists attribute great significance to improving professional performance levels, and to reinforcing professional work. Money is needed to accomplish that. To obtain such funds, the Socialists will endeavor to reduce the wage discrepancies of health care workers during the second half of the fiscal year already; they will do so by proposing amendments to this year's budget law.

From among other matters requiring urgent action, Csehak mentioned a reduction of disadvantages that evolved within the family physician system, the clarification of confusion related to the privatization of pharmacies, and the ending of uncertainties relative to pharmaceuticals. Csehak is convinced that litigation can be avoided and that a fair agreement can be reached between local governments, the federation of local governments, and the association of pharmacists. Equalizing major differences that evolved in the financing of hospitals is of no less significance. The Socialists believe that this can be resolved in the framework of next year's budget. Thus hospitals starting with very low funding may obtain their missing resources.

Finally: Reaching a settlement regarding pharmaceutical subsidies cannot be delayed, according to Csehak. But since it is unlikely that any government will be able to prevent drastic increases in pharmaceutical prices, a solution must be found in the form of a subsidy to permit sick people to receive needed pharmaceuticals. This matter gains increased urgency if one considers the dramatic report published the other day, according to which retired persons spend almost 10 percent of their income on pharmaceuticals.

SZDSZ Health Care Program Outlined

94CH0304B Budapest MAGYAR HIRLAP in Hungarian 1 Jun 94 p 9

[Report on statements of Andrea Szolnoki, health care expert of the Alliance of Free Democrats, by P.K.; place and date not given: "Szolnoki: Not Even a Minute Can Be Wasted Before Creating a Law Protecting the Rights of the Ill"]

[Text] Certain concepts could be introduced in the health care field without any changes in laws. Doing so would be a matter of will and determination only, according to Andrea Szolnoki, head of the SZDSZ [Alliance of Free Democrats] health care workshop, when we asked her about the most urgent things to be done in the health care field once the SZDSZ acquires governmental power.

Letting people freely choose their own physicians is the first thing to be considered. Today, people are able to freely choose their family physicians, but this is not the case in regard to specialists and hospital departments. Under today's system, an insured person with an ear ache sees his family physician first, he has to wait there and meanwhile contract the flu, and only after that does he receive a referral paper to go to the ear, nose, and throat specialist the following day. A sick person must pay for specialized services rendered if he does not have referral papers, or if he visits an ear, nose, and throat specialist other than the one who has jurisdiction. This calvary repeats itself daily, and could be discontinued by appropriately amending the applicable decree. Andrea Szolnoki—a practicing ear, nose, and throat specialist—believes that once the new government takes office, this measure will fundamentally improve the people's general attitude toward health care.

Similarly, the present system of pharmaceutical subsidies could be reviewed, albeit not overnight. At present, those most in need—pensioners, the very old, and the chronically ill—have no funds to pay pharmacy bills that are huge as compared to their income. For this reason we must once again clarify the concept and scope of entitlement to publicly funded pharmaceuticals, and the illnesses for which publicly funded pharmaceuticals may be provided.

The SZDSZ has committed itself to relieve chronically ill persons age 70 or older, and persons from the same age group suffering from prolonged illnesses, from the burden of having to pay for comprehensive health care services. This, of course, will be offset—based on the principle of solidarity—by increased prices of certain types of pharmaceuticals. Simultaneously, control over prescriptions must also be established. The health care fund has already begun doing so.

In addition to all of the above, Andrea Szolnoki regards the creation of a law protecting the rights of sick people as most important. As she says: The SZDSZ has argued in parliament in favor of adopting such provisions as part of the health care law, but now the SZDSZ believes that "not even a minute can be wasted any longer." Even more so, because development of the health care law in force since 1972 required eight years of work, and at present, creating a new law would require at least two years of work. The free democrats have commissioned lawyers in February to draft a bill of rights for the ill, and draft legislation will be placed on the table as soon as they acquire governmental responsibilities. The draft will include provisions concerning the extent to which patients must be informed of their diseases and treatments, the kinds of documents that must be provided to patients, and so on, all the way to details that must not be neglected, such as whether an assistant has to be present when performing certain examinations. Nevertheless,

the free democrats intend to introduce the draft legislation in parliament only after reaching a broad consensus of all affected groups.

The SZDSZ also regards as urgent the development of a patient home care system and a nursing home system. Such systems would greatly relieve the patient load of hospitals, because patients in need of nursing care only could be released from inpatient hospital care. A family physician, or based on the orders of a family physician, a private enterprise, or an enterprise funded by a foundation could organize nursing care to be delivered in patients' homes.

Andrea Szolnoki believes that this matter must be resolved without delay, because "without this, one cannot streamline, and drastically reduce the number of beds in hospitals. Today, if a patient in need of nursing care only is released from a hospital and is returned to his home, we can be certain that an ambulance is going to return him to the hospital two weeks later in a far worse condition than when he left the hospital."

Based on the SZDSZ's short-term and long-term strategies, any draft legislation or draft decree would be presented to the legislature only after hearing the views of all parties involved in health care. At the same time, the SZDSZ would clearly state to insured persons, sick persons, and to health care workers the things they could count on, and when those things would materialize. A political consensus is indispensable to accomplishing this: "not only among the ruling parties, but all parties, including the opposition parties," according to Andrea Szolnoki.

Pawlak on Balladur Visit, Ties to France, EU

BR0107110894 Paris LE FIGARO in French 1 Jul 94 p 4

[Interview with Polish Prime Minister Waldemar Pawlak by Christophe Turowski in Warsaw; date not given: "Poland Expects Support for Its European Candidacy"]

[Text] *Edouard Balladur arrives in Poland today for a two-day official visit. The Warsaw government expects its old French ally to help it realize its ambitions. Poland, which officially applied to join the European Union [EU] on 7 April, hopes to be accepted by the year 2000. Mr. Balladur is due to meet with President Lech Walesa and Prime Minister Waldemar Pawlak. He will also step back into the blackest chapter in the Old Continent's history by visiting the Nazi death camps of Auschwitz-Birkenau.*

[Turowski] What do you expect from Edouard Balladur's visit?

[Pawlak] Mr. Balladur's actions to ensure stability in Europe are very well known and greatly appreciated in Poland. Any approach that aims to prevent future conflicts must be studied very closely. Who knows? If such a plan had existed at the time, the Yugoslav tragedy could have been avoided. But, for us, it is clear that effective and lasting stabilization can only be realized after the Central European countries join the EU and NATO. French and German diplomats have already helped Poland in its efforts to become associated with the Western European Union. But I make no secret of the fact that we are relying a great deal on France's active support to ensure that Poland becomes a member of European institutions as soon as possible.

[Turowski] Do you think the French prime minister's visit will start to solve these problems?

[Pawlak] At all events, we will discuss them. Our trade deficit with France is a major concern for us. Economic relations between our countries ought to have more dynamism. And I am convinced that this is entirely possible. Moreover, we are seeking to balance our economic relations with all of the EU member countries. This is a question of the future for our Old Continent. My dearest wish is that Mr. Balladur and Mr. Juppe will leave Poland with at least one certainty: that, in the political sphere, Poland could now be regarded as a full partner of West Europe.

[Turowski] The first Franco-Polish military exercises took place on the Baltic, then in the Polish Sudety and in the Alps. Do you think the idea of creating a Franco-Polish corps like the one created by the French and German Armies is realistic?

[Pawlak] It seems attractive, but we will have to wait before proceeding with that. At present, it is more important to organize a common security system in Europe and the development of economic relations—and I would like to stress this again. With regard to the latter, a great deal remains to be done by Paris and Warsaw.

[Turowski] You always come back to the problem of economic exchanges.

[Pawlak] Indeed, I have the impression that the traditionally friendly relations between France and Poland do not have the same echo in business. The fact that our trade balance with France is negative means that France is not opening up its borders sufficiently to Polish products. On the list of foreign investors, France is only in fifth place. The fact that, for COFACE [French Foreign Trade Insurance Company], Poland is still a risky country makes it virtually impossible for French small- and medium-sized enterprises and industries to become involved in our country. The world press, including the French press, is presenting Poland as the Central European country whose development has been the most dynamic. Unfortunately, COFACE does not share that view.

[Turowski] The Polish, French, and German foreign ministers have created a cooperation circle that has been christened the "Weimar triangle." They have been followed by the defense ministers. Do you not think that meetings among the prime ministers of these countries could further strengthen this synergy?

[Pawlak] That would be a very interesting initiative, which could contribute to establishing a balance in Europe. But the friendly statements within the "Weimar triangle" must be followed by action. To give an example: Poland is making a big gamble on the future with its highway construction projects and the modernization of its railroads. This vast sphere of investments is open to the three countries. The physical rapprochement of the regions situated on the Paris-Bonn-Warsaw line that would then be produced would be very important. All of that could be an opportunity for French enterprises.

[Turowski] In the international sphere, Poland is stepping up its initiatives. But are Warsaw's hopes not often dashed?

[Pawlak] Poland does not want to allow this unique opportunity offered to it by history to pass. It is a chance of entering the family of democratic and economically developed European countries. This explains our political activism. We have stepped up our diplomatic initiatives. We have worked hard to create and maintain the best possible relations with the Western governments. The time has now come to further extend these good relations by taking them to a more profound level: that of the regions and communes. It is true that Poland is in a hurry. But is has good reason to be: We have already wasted half a century.

[Turowski] Last February, in Prague, you launched the idea of a "partnership for development." What were the practical results of this plan?

[Pawlak] The principle of the "partnership for development" was adopted in the framework of the so-called Warsaw declaration last May, on the occasion of a meeting that brought together the G-7 and E-10 (10 countries of Central and East Europe) countries. Each participant was represented by the industry and foreign trade ministers and by businessmen. This program, which is open in the geographical sense, can involve all of the regions of the world, provided the material and intellectual potential of the Central and East European countries is exploited. Unfortunately, France has shown very little interest in this Warsaw meeting. That is a pity.

[Turowski] But France and the other EU countries have reasons for remaining cautious. The stability of the former East Europe is far from being guaranteed.

[Pawlak] For a large part of our continent, it is difficult to talk of great stability. We will continue to have reasons for worrying as long as the rules of the democratic game have not become the norm in our country and neighboring countries. Changing laws is relatively easy, but changing the people's mentality is a lengthy process.

Defense Minister Seeks Meeting With Russians

LD3006132894 Warsaw PAP in Polish 1201 GMT 30 Jun 94

[Text] Warsaw, 30 Jun (PAP)—After a meeting today with a delegation of Russian parliament members dealing with defense matters, Minister of National Defense Piotr Kolodziejczyk said that a meeting between the Polish and Russian defense ministers is necessary because there were too many mutual misunderstandings. The Russian delegation also met with deputies from the Sejm's National Defense Commission.

"Let us not talk through the press. Let us meet at a table and have talks, even difficult ones. This is the conclusion of this meeting," Kolodziejczyk said. According to him, the atmosphere for such a meeting is good, partly as a result of Russia's joining the Partnership for Peace program. The Russian parliament members from the State Duma Defense Committee promised to help make such a meeting possible.

Sergey Yushenkov, the leader of the Russian delegation, put forward a proposal for convening a conference on the issues of European security. Jerzy Szmajdzinski, chairman of the Sejm's National Defense Commission, suggested a meeting of parliamentary groups to discuss the defense doctrines of the two states. According to Kolodziejczyk, both initiatives were received "almost enthusiastically."

Cooperation between arms industries was also discussed during today's meetings. As Kolodziejczyk explained, Poland is not interested in purchasing ready-made products: We want cooperation and a transfer of technologies.

The visit by the Duma Defense Committee's delegation is the first in our country by Russian members of parliament dealing with defense matters.

Senate Approves Amendment to Abortion Law

LD3006195294 Warsaw Third Program Radio Network in Polish 1900 GMT 30 Jun 94

[Text] The Senate has adopted without any amendments the amendment to the penal law allowing abortion for women facing economic difficulties. Forty senators voted for the law, 36 voted against it, and four abstained. President Lech Walesa announced earlier that he would not sign this law.

Provisions, Effect of New Wage Control Law

WS0107120294 Warsaw GAZETA WYBORCZA in Polish 1 Jul 94 p 16

[Article by Bogdan Kowalski: "Neopopiwek Has Been Signed"]

[Text] *The neopopiwek [tax on excessive wage increases] law does not specify the deadline of the new popiwek coming into force, but even those who are in favor of it think that neopopiwek should not be in force for too long.*

"I have never been disappointed with Walesa's political instincts. He will always try to avoid antimarket experiments," Donald Tusk, vice chairman of the Union of Freedom, told GAZETA WYBORCZA a few days ago. "Even though neopopiwek has come to be perceived as handcuffs imposed upon state-owned enterprises and people find it increasingly difficult to admit being enthusiastic about it, I would not give up controlling wage growth," Tusk added. According to him, the pressure to increase wages in enterprises remains great, regardless of the enterprises' financial results. Popiwek was an efficient instrument for combating inflation, which continues as a plague.

Neopopiwek According to Choice

The law can become effective no earlier than the first day of the month following its publication. If the law appears in DZIENNIK USTAW [official publication for newly adopted laws], backdated to yesterday, then, effective today, those enterprises that cross the allowed limit of wage growth will be penalized: For every zloty in wages paid out beyond the limit, they will pay one and one-half zlotys in penalties. Also, when it comes to violating the maximum allowed amount of payments out of social benefit funds, enterprises will pay a penalty of one zloty [Z] for every zloty above the limit.

The law allows firms to choose one of four methods according to which the maximum wage growth will be determined, but a majority of enterprises will have to adopt the most burdensome method of calculation.

According to the method, amounts free of popiwek will be calculated by using the indicator of growth of the

average monthly wage. The indicator is to be determined by the Council of Ministers on the basis of decisions made by the trilateral commission (government-employers-trade unionists). Those enterprises that use the indicator method will settle their accounts with tax offices [izba skarbowa] on a monthly basis.

The other three methods—managerial contracts, enterprise-tax offices agreements, and a so-called relation—give more room, but they are only addressed at those enterprises that:

—Have no arrears vis-a-vis the Social Security Agency or the state budget,

—If they have such arrears, are settled before 31 August, or,

—Restructure their tax debt.

Managerial contracts are agreements between the manager of an enterprise and its foundation agency [organ zalozycielski] regarding the level of wages. Enterprises are also empowered to come to an agreement with tax offices.

The third method allows wages toa be raised in such a way that the relation between wages supplemented by gross revenue and wages in the settlement year are no worse that the relation calculated the same way but for the previous year.

Firms applying these three methods settle their accounts with tax offices on a quarterly basis.

Neopopiwek's Mildness

"It is no longer the restrictive popiwek of previous years, but any mechanism regulating salary growth in Poland will be called neopopiwek or popiwek-plus," says Janusz Piechocinski, of the Polish Peasant Party.

Neopopiwek is not a tax but a sanction, so it does not have a fiscal nature. This year, the budget was to receive Z3.5 trillion from popiwek, but, most probably, the actual amount will not be that high. In 1991, over Z27 trillion went into the state budget, while, in 1993, almost Z10 trillion.

Apart form that, neopopiwek will cover state-owned enterprises, communal enterprises, and partnerships in which the State Treasury or gminas [small administrative units] have at least an 80-percent share. The old popiwek covered enterprises where the state had a stake of 50 percent. A total of about 6,000 firms are covered by neopopiwek.

The law envisions many concessions—for instance, to exporters, as well as to firms that did not exceed the wage norms last year by 1 percent.

"The law will not prevent wage growth this year, anyway," states Maciej Manicki of the All-Poland Trade Unions Agreement. Even as late as December, enterprises will be able to pay out wages that will be included in production costs for April or May. There is no provision in the neopopiwek law that would prohibit such practices.

Walesa Calls Concordat Proposal 'Blackmail'

LD3006182294 Warsaw PAP in Polish 1529 GMT 30 Jun 94

[Excerpts] Warsaw, 30 Jun—President Lech Walesa has described as "a kind of blackmail" the proposal by the SLD [Democratic Left Alliance] and UP [Union of Labor] to postpone the ratification of the Concordat until a new constitution is passed.

During today's meeting with journalists at the Sejm, the president, who had earlier heard parliament debate the Concordat, said that a "huge substitute quarrel" would begin if the Sejm were to adopt the SLD and UP's proposal. It is a quarrel he would like to avoid, but he would "pick up the gauntlet" if the SLD "treated the nation to it".

"It is a kind of blackmail; there can be no agreeing to that because the condition is being laid down: Nation, adopt the constitution and then the Concordat," the president said, adding that religious believers "cannot yield one millimeter and must call to order the minority, which is and will remain a minority."

The president said that, while respecting the rights of the minority, one cannot allow a situation to arise in which the minority "oppresses the majority". "Minorities need to be respected, to have equal rights. That is true. However, they must not oppress the majority. This is oppression: Am I not to have written on my school report that I attended religious instruction? What is the meaning of that? Am I to give in to this because two people do not attend?," the president said.

"If somebody has the audacity to be a nonbeliever, that is his affair. If he has no marks for religious instruction on his school report, that is his affair. If I were a nonbeliever, if I had a different faith, I would be proud to be different," Walesa said, explaining that he was using the word "audacity" "in the good sense." "Whoever has the audacity, let him have it. I give him the right. I will defend him because I know he is a nonbeliever," Walesa said. [passage omitted]

When asked whether he was making his position on the Concordat known as the president of all Poles or only of the Catholic majority in Poland, and whether he should not be speaking as someone who stood above religious denominations, the president replied: "Yes, I do stand above religious denominations, but I am also a realist. I appreciate the majority. That does not mean that the majority should oppress the minority."

Walesa said that he would defend Television Chairman Wieslaw Walendziak "with all his might." "I am in favor

of dismissing the [National Radio and TV Broadcasting] Council and not Chairman Walendziak," the president stressed.

Changes in Trade With West Outlined

PM0107084094 Gdansk GLOS WYBRZEZA in Polish 23 Jun 94 p 3

[Interview with Professor Lucjan Ciamaga, director of the Institute of Foreign Trade Policies at Warsaw's Main School of Commerce, by correspondent Zbigniew Weglarek; place and date not given]

[Text] [Weglarek] Millions of dollars are pouring into Poland as a result of foreign aid schemes designed to help us accelerate the development of our economy and boost market transformation processes. At the same time, the deficit in our foreign trade turnover is increasing, the share of exports in the gross national product [GNP] is decreasing, and the extent of our participation in the global commercial exchange is becoming progressively smaller....

[Ciamaga] The term "aid" in the context of the influx of foreign currencies into our economy is to be treated, at best, as a notional concept. In all business ventures—and international trade is a business venture—everyone looks after his own interests first. Nonreturnable loans and "free gifts" from the West are becoming rarer. In any case, they have never constituted a significant proportion of foreign aid. Foreign loans have always made up a major proportion of that aid, and they will have to be repaid sooner or later—with interest, of course. Recently there has also been an increase in direct capital investment deals, which are certainly no free donations but coolly calculated financial schemes for putting money into ventures that are expected to yield significant profit.

Moreover, the underlying motive in cases of the so-called nonreturnable loans is usually the loan-giver's own financial gain. I am not including the category of humanitarian aid here because that is an altogether different matter. The "benefactor" governments, business corporations, or financial institutions aim to direct their financial "aid" so that it serves to create and develop certain elements of our economic, legislative, and other infrastructures in order to facilitate the "benefactors'" entry to the unfamiliar terrain of our market, ensure greater security for the trade contracts and agreements they hope to negotiate, and improve our solvency as their business partners.

[Weglarek] Is that a charge to be brought against them?

[Ciamaga] By no means. This is perfectly normal practice in international business, and it is, in the long run, advantageous for us, too, because it will launch us into the position of "adult partner" in our financial relations with the West. The commercial "aid" principles reinforce the role of economic calculation of costs and profits and the need for its practical application. In this context, the worst legacy of the past is the disappearance of the practice of cost-accounting and the impaired ability to apply the categories of costs and profits in business deals.

Of course, if the economic strictures accompanying the conditions of taking advantage of foreign financial assistance are to benefit us, too, we must get rid, as soon as possible, of the illusion that anyone will ever do anything for us out of the goodness of his heart. The West is directed by its own interest—and so should we be directed by our own interest. It is important to find points at which our interests are contiguous, points of equilibrium at which advantage to one party means advantage to another.

[Weglarek] The West has opened its borders to us.... This is clearly an opportunity we have not had for many years, is it not?

[Ciamaga] Well, it has opened the borders in some respects and kept them closed in others. In areas where the West has perceived a threat to its own interests, its producers, or the balance on its labor market (for example, in agriculture or the so-called sensitive industries based on traditional technologies and offering large-scale employment), the "opening" to Polish imports is, frankly, somewhat problematic. Western borders are still protected by customs and excise taxes and imports limits, and, when these fail because we are able to get past them, other contingency plans, which can bring us quickly down to earth, are immediately put into action. No one bothers to be nice then or to preserve at least the appearance of plausibility when activating the additional barriers against our goods. It is sufficient to recall the alleged cases of foot-and-mouth disease, which the European Union quoted as the reason for introducing a temporary ban on imports of livestock and meat from Poland. The truth is that there have been no cases of foot-and-mouth disease in Poland for a great many years.

In addition, we must remember that the customs and excise privileges that are actually granted work both ways. In exchange for opening its borders to Poland, the West will eventually gain a similar opening of our borders to its goods.

[Weglarek] The terms of the agreement granting Poland the status of EU associate member do not reflect any such "mirror image" of mutual concessions and privileges. We relinquish our right to protect the national market at a much slower rate and, for the time being, at least, to a lesser extent. The West has agreed to this, so it can be said that it has made concessions in our favor.

[Ciamaga] Strong and prosperous countries do not need to obtain "across-the-board" privileges in trading with weaker partners in order to benefit from the mutual opening up of their borders to commercial exchange. It is enough for them if they secure privileges for their most highly processed goods, which dominate in their trading offer and on which they can make the biggest profits. They do not even need to obtain privileges in the literal sense of the word. To begin with, it is enough for them if

the customs and excise barrier is just slightly ajar. To take automobile exports as an example, they are satisfied with obtaining partial duty-free limits—enough to enable them to begin to storm the bridgeheads from these positions. The rest will be taken care of by the obvious technological superiority, higher quality, and greater experience in the marketing of Western goods.

[Weglarek] There is no excise duty on computers from the EU imported to Poland. Similarly, there is no excise duty at present on computers we would like to sell in West European markets. This is surely a decent treatment of this question.

[Ciamaga] Let us not confuse decency with the need to make profits. Decency and honesty are often irrelevant concepts in business deals where trading partners offer each other mutually advantageous concessions. We know that the condition of our electronics industry is such that, unless radical and fundamental changes are introduced, it will be a long time before it can constitute serious competition for the goods manufactured by reputable companies. Indeed, as regards the computer market, we are free to try to sell our products in the West as equal trading partners, without any administrative or other restrictions (this does not apply to other electronic goods because exports of such products as, say, television sets are restricted by export limits). The problem lies in getting the potential buyers interested and confident enough to want to buy Polish computers. It is true that Western customers buy Polish spades, and we certainly have no serious competition in the "spade market," but that is because rich countries are not interested in entering that kind of rivalry. It does not represent serious business or serious profits to them.

[Weglarek] But whom should we blame for this state of affairs? After all, no one stops us forcibly from manufacturing better and more marketable computers.

[Ciamaga] It is precisely here that the solution to the problem resides. To talk of "equal opportunities in Western markets" in a situation where one side is more than ready to enter serious competition while the other is far from prepared for such an uneven contest is to engage in unrealistic dreams, just as it is not "equality" to put a heavyweight contestant in a boxing ring against a featherweight partner. The differences in their weights should be taken into account in the rules and regulations of the contest. Only then can we talk of equal opportunities. However, we should first and foremost remember that, if we intend to develop our trading relations with the West, we should pay close attention to ensuring that we do not buy trifling "fairground trinkets" there but concentrate on the kind of material and nonmaterial goods (such as machines and equipment, modern technologies, know-how, and production licenses) that can enable us to improve the competitive standards of our own products in areas that, in the long run, are really profitable and can bring us the best export revenues.

Reduced Tariffs in Visegrad Trade Effective

WS0107092394 Warsaw ZYCIE WARSZAWY in Polish 1 Jul 94 p 11

[Article by Piotr Kudzia: "Barriers Between Poland and Its Neighbors Are Shrinking; CEFTA—Drop in Customs Duties"]

[Text] *Effective today, customs duties on some merchandise imported from the Czech Republic, Slovakia, and Hungary, are going down. The measure is being undertaken within an agreement called the Central European Free Trade Association [CEFTA], which has been signed by the above-mentioned countries. Also, beginning today, Hungary will be granting unilateral concessions to Poland in the exports of fish and sea products.*

Beginning in March 1993, Poland has been bound by the CEFTA agreement, which was also signed by Hungary, the Czech Republic, and Slovakia. The agreement envisions a gradual lifting of customs duties among the countries involved and the establishment of a free trade area in the future. The time frame of mutual customs duties concessions that was adopted envisions the establishment of such an area effective 1 January 2001.

Group Reduction

The reduction of the tariffs is being implemented in three groups of merchandise: One group, called Group A, includes merchandise of a low degree of processability as well as those ready-made products that are not competitive to domestic production. Group B includes a majority of processed products, while Group C covers "merchandise that is particularly sensitive to the domestic market" like automobiles, metallurgic products, and products of the light industry.

Customs duties on merchandise from Group A were reduced to zero in 1993. Regarding industrial products from Group B, customs duties will be lifted effective today (33 percent) in three equal installments: The second installment will be in 1996, and the third in 1997. Regarding merchandise that is the most sensitive to competition (Group C), customs duties will be gradually decreased in 25-percent installments until 1998.

In this case, the liberalization was speeded up by three years compared with initial plans. As regards some items on the list, however, customs duties protections will be maintained until the year 2001, or, as in the case of imports of automobiles into Poland, until 2002.

Effective today, customs duties on merchandise in Groups B and C are being lifted, which, as the year-long practice of the implementation of the CEFTA agreement demonstrated, no longer require tariff protection, as well as regarding that merchandise the countries do not trade in.

Food—No Reductions

Regarding agricultural products, CEFTA does not envision a lifting of customs duties but only their reductions on specific items. Some lists of products have been agreed upon with regard to which mutual concessions were granted among the countries concerned. Regarding a majority of products, quotas were agreed upon mutually that will be the upper limits for the reduced customs duties. Reduced customs duties will apply to merchandise "of a low degree of sensitivity," while, when it comes to meat and grain, the principle of mutuality will be applied.

There is also a proviso in the agreement to the effect that the individual countries will be able to shape their own agricultural policies through increases in rates or through the introduction of compensatory fees [oplaty wyrownawcze].

Poland availed itself of the provision in June, but Hungary, the Czech Republic, and Slovakia took a very negative stand on the decision. Our government officially notified these countries as late as the day before yesterday about the introduction of the fees, even though they were actually implemented much earlier.

Parliament Rejects Opposition Censure Motion

AU3006203994 Bucharest Radio Romania Network in Romanian 1957 GMT 30 Jun 94

[Report by Ioan David from the Parliament building in Bucharest—live]

[Text] [David] Esteemed listeners, at this moment the speaker of the Chamber of Deputies [Adrian Nastase], who has also chaired today's joint session of the Chamber of Deputies and the Senate, together with the Speaker of Romania's Senate, Oliviu Gherman, have entered the hall of the palace on Metropolitan Hill [Parliament headquarters]. Within the next few minutes they will announce the results of the ballot on the censure motion which was debated today.

[Nastase] I invite our secretary Petrescu to read out the official report.

[David] Now they are announcing the results of the ballot.

[Nastase] Please take your seats, Senators. I just invited Deputy Petrescu to take the floor.

[Petrescu] Official report referring to the votes cast by the deputies and senators on the censure motion initiated by a group of 141 members of parliament and presented in the joint session of the two chambers of Parliament of 30 June 1994.

The standing bureaus of the Chamber of Deputies and Senate, in their joint session held on 30 June 1994, proceeded to verify and count the votes cast by deputies and senators, by means of balls, on the censure motion initiated by a group of 141 members of parliament, and found the following:

The total number of deputies and senators: 482.

The total number of votes cast: 437, out of which 208 were in favor of the censure motion and 227 votes were against.

In accordance with the stipulations of Article 112, Paragraph 1 of Romania's Constitution, the passing of censure motions is to be done by a majority vote of deputies and senators. As a consequence of this, for the passing of censure motions the votes of at least 242 parliamentarians are necessary.

Considering the fact that out of the total number of 482 parliamentarians 208 have voted in favor of passing the censure motion, while 227 have voted against it, and two votes have been annulled, the Chamber of Deputies and the Senate find that the necessary majority has not been met as stipulated by Article 112 of Romania's Constitution on the passing of censure motions. Taken down today, 30 June 1994.

[Nastase] I thank you very much. I close the first parliamentary session of this year—one hour in advance as compared to the deadline we established—but we will meet again on 4 July at 1500 in our extraordinary session, here at the headquarters of the Chamber of Deputies.

Defense Minister Comments on Chemical Weapons

AU3006135794 Bucharest Radio Romania Network in Romanian 1000 GMT 30 Jun 90

[Text] Romania does not posses chemical weapons and does not have a program for manufacturing such weapons, Romanian National Defense Minister Gheorghe Tinca told a news conference today. Tinca said that in order to eliminate all suspicion on this issue and to prove Romania's good faith, it has been decided to make public specific information about Romania's former programs in the field of chemical weapons.

The defense minister said that in 1968 the leadership of that time gave orders for the initiation of a research program aimed at producing certain toxic combat substances and means of using those substances. The objective of the program was to obtain five substances and the activities carried out included laboratory research and tests in a (?micro-field) installation of the Ministry of National Defense. The defense minister mentioned that currently about 100 grams of these substances are produced per year, exclusively for peaceful purposes. Since 1990, however, a part of this production has been stopped for lack of orders.

Police Investigate Sale of Uranium Pellets

AU3006174094 Bucharest ADEVARUL in Romanian 25 Jun 94 p 12

[Article by Nicolae Militaru: "Romanian Nuclear Programs Discredited by Black Marketers"]

[Text] Officers of the Directorate for Arms, Explosives, Drugs, and Toxic Substances of the General Police Inspectorate recently caught three individuals who were selling uranium pellets in Pitesti Municipality. The tablets originated from the Nuclear Research Institute in Pitesti and the Nuclear Fuel Factory and were meant to be used in the Cernavoda Nuclear Power Plant. The possessors of the uranium pellets offered a considerable amount of it to some Romanies from Baia Mare, asking them to sell it. Due to a lack of customers and wishing to show that they are honest people, the Romanies told the Pitesti Police about it. From this act to actually catching the criminals was an easy step.

The officers of the General Police Inspectorate went to the house of the salesmen, pretending to be interested in buying the pellets. In this way, Ion Popescu, age 42, of Colibasi, Arges County, a graduate of a higher education institute; Marin Stanciu, age 51, a driver; and Mugur Scarlat, age 31, from Darmanesti, Arges County, who was recently released from prison where he was serving a sentence also for the sale of uranium, were arrested. Police found 3.5 kg of nuclear fuel pellets in their homes.

In 1993, as many of the readers of ADEVARUL probably still remember, our newspaper drew attention to the fact that 240 kg of such pellets were removed from a factory manufacturing similar products in Brasov County.

Other amounts, that is, scores of kg were also found in the possession of some black marketers in the flea market in Pitesti. Scores of tablets were also discovered in the Mures River, thrown there by a vendor from Arad, while other quantities were confiscated from a Hungarian, the owner of a motel close to the Romanian border.

Regarding all these facts, one question arises: Who is interested, and for what reasons, in buying uranium pellets produced in Romania? The price offered for each gram is much higher than the official price of these tablets. To be able to use them in nuclear power stations, several tonnes of one single charge are required! A few hundred kg of such uranium has disappeared from Romanian factories. Thus, the intention to use it for producing electrical power is excluded and the pellets cannot be used in any other area. Who is buying them and why is the illegal removal of these tablets encouraged?

We have received an answer in this respect from experts of the International Atomic Energy Agency in Vienna. After careful examination of the data supplied by the Romanian authorities, the experts concluded that those who are buying uranium pellets want nothing else except to discredit our country's programs in the field of nuclear energy. The theft of pellets, that is of radioactive uranium, presupposes disorder and thus shows the inability of Romanian enterprises to ensure the required security in dealing with such a substance. When this fact is proved—and the black market in uranium pellets on the flea market is already proof—the international control bodies and commissions will impose new restrictions on Romania. On the other hand, Romanian enterprises will not be allowed to produce certain components for nuclear stations, because of the lack of security, and we will be asked to import these components. Certainly, we will have to pay for everything in dollars and by having our machine-building industry ruined, an industry that showed signs of competitiveness in certain areas of nuclear energy.

Izetbegovic: Agreement Not Equally Implemented

LD0107001894 Belgrade TANJUG in English 2334 GMT 30 Jun 94

[Text] Belgrade, June 30 (TANJUG)—Bosnian Moslem hardline leader Alija Izetbegovic said on Thursday the Moslem-Croat federation had not become a reality. After a tour of Herzegovina, in the south of the war-shattered former Yugoslav republic of Bosnia-Herzegovina, Izetbegovic said that the Washington Agreement (signed under strong U.S. pressure on March 18) which set up the federation was not being equally implemented on the ground.

Speaking about his visit to Mostar, Izetbegovic is quoted by Moslem-controlled radio Sarajevo as saying that some checkpoints are still impassable. He said that a Moslem reporter who had visited the western sector of Mostar three days ago had had a rather rough time. Before dissolving their anti-Serb alliance and beginning their war for control of Mostar in the spring of 1993, the Moslems and Croats had driven out of the Mostar area 45,000 Bosnian Serbs, demolishing their historic and religious landmarks in the process.

Subsequent Moslem-Croat fighting devastated the city and divided it into Moslem-controlled east and Croat-held west. Asked by a reporter if he felt that a step had been taken towarbs implementing the Brussels Accord under which Mostar should be administered by the European Union, Izetbegovic said his reply to this question could be said to be almost in the negative in the case of Mostar.

The E.U. peace plan for Bosnia envisages for placing Mostar under E.U. protection, which is opposed by Bosnian Croats, who have made the city the capital of their state of Herzeg-Bosnia which still exists after the signing of the Moslem-Croat federation agreement.

Izetbegovic Calls On Group To Approach Serbs

AU0107101694 Sarajevo OSLOBODJENJE in Serbo-Croatian 1 Jul 94 p 1

[B-H PRESS report on statement by Alija Izetbegovic, president of the State Presidency of Bosnia-Herzegovina, to Bosnia-Herzegovina Television: "Our Fate Will Be Solved in Bosnia-Herzegovina"]

[Text] Sarajevo, 30 June (B-H PRESS)—Upon returning from the tour of the free territories and fronts in the theater of operations of the Bosnia-Herzegovina Army 4th Corps, the president of the Bosnia-Herzegovina Presidency made a statement for Television Bosnia-Herzegovina.

Asked whether a step forward had been made in the implementation of the Brussels Agreement, and whether [Hans] Koschnik was in Mostar, President Izetbegovic said that—when it came to Mostar—his reply to that question would have to be almost negative.

"There is some inconsistency as far as the implementation of the Washington Agreement is concerned, but obviously a great step forward has been made. I crossed the improvised bridges over the Neretva River. On my return I crossed the Old Bridge in Mostar and I was not shot at, which means that something has been achieved. However, the checkpoints are still impassable. There is still a front line there although there is no shooting now. I visited the southernmost point of the free territory, in Blagaj, where I met two of our brigades that are holding the area. I went to the graveyards of the fighters, and I paid my respects to the legendary commander Mithat Hujdan-Hujke."

Addressing the military situation in the area that he had visited, and the relations between the Bosnia-Herzegovina Army and the Croatian Defense Council [HVO], Izetbegovic stressed:

"I can say that the military situation is generally good. General Drekovic has done his job well in linking up some hitherto insufficiently coordinated units. Now it is a well organized military system that functions from Bradina to Blagaj. I was particularly pleased to meet the commanders of 13 of our brigades that are under the command of our admirable commanders. They are proud to have defended that part of Bosnia-Herzegovina without losing a single house, despite a year-long siege. During my tour I visited a field hospital in which several thousand operations had been performed, and where some 400 people had died."

Asked whether he agreed with some people that the implementation of the Washington Agreement was going better on the ground than in the Assembly, Izetbegovic said that he did not agree since a great step forward had been made in the Assembly by forming the government. He stressed that some very important decisions had been made concerning the implementation of the agreement, and that the one-month deadline for forming the cantonal government was the first test for the Federation. Izetbegovic also said that the constitution of the cantons and cantonal governments would solve the well known issue of Herceg-Bosnia, which kept coming up all the time.

"I think there is some resistance by the Croats, particularly marked in some areas. Mostar is one of them. This resistance has to be broken by the Croats themselves. I disagree with those who say that this is a political trick. I believe that things will get better," Izetbegovic stressed, adding:

"On 4 July there is a meeting between Commanders Delic and Petkovic [of Bosnia-Herzegovina Army anf HVO, respectively]; on 9 July there is a meeting between the Governments of Bosnia- Herzegovina and Croatia; and on 17 July I am meeting [Croatian President] Tudjman and [Turkish President] Demirel in Brioni [Croatian island]. These talks should expedite the implementation of the agreement. These are three meetings at which certain things can be solved. I believe that things

will get moving, and that the resistance to the implementation of the agreement will simply be broken."

Concerning the international political bodies in solving the Bosnia-Herzegovina crisis, and the plan of the contact group for the 51-49 partition of Bosnia-Herzegovina, Izetbegovic stressed that the fate of Bosnia-Herzegovina will be solved in Bosnia-Herzegovina. He said he did not believe that the international solution to the Bosnia-Herzegovina crisis could be on a "take-it-or-leave-it" basis. Izetbegovic said that if such an offer were to be made, then it should only be made to the Serbian side, since that was the armed side that had launched the aggression, and it was up to that side to say yes or no. Izetbegovic said that the position of Bosnia- Herzegovina after the establishment of the Federation was greatly improved, both in relation to the international community and the Serbian aggressor.

"The Chetniks have lost this war by the mere fact that they have not won it. According to all the rules of warfare they should have won this war, particularly once they got the HVO to go to war against us. Even though we have ourselves made some weak moves, we have also made some strong political and military ones, so I think that the outcome is on the whole positive. Bosnia has survived, and we have created respectable and strong armed forces."

Zubak Says Progress on Federation 'Going Well'

AU0107082794 Zagreb VJESNIK in Serbo-Croatian 27 Jun 94 p 7

[HINA report on OSLOBODJENJE interview with Kresimir Zubak, president of the Bosnia-Herzegovina Federation, in Sarajevo; date not given: "Herceg-Bosna Still Exists"]

[Text] "I think that we have managed to agree on the members of the new government relatively easily," said Kresimir Zubak, president of the Bosnia-Herzegovina Federation, in an interview with Sarajevo's OSLOBODJENJE. The fact that there are still obstructions and abstentions is more a consequence of the psychological situation than an expression of various political views of the present situation, he said. After the war conflicts, which were extremely difficult for both peoples in certain areas, the establishment of the new state community has been going well and even faster than I personally expected, stated Zubak. "What has been done so far is the first and the key stage, and now the judicial bodies and consulates should be established. At lower levels, further refinements of the Federation Constitution should be made and the Constitution implemented, but this will be difficult before the final borders of the Federation are known," remarked Zubak, saying that this specifically meant that there are certain activities that cannot be initiated at this moment.

Commenting on the relations between the new Federation and Herzeg-Bosna, Zubak repeated that the Croatian republic of Herceg-Bosna would function until the Federation Constitution is fully implemented at the cantonal and municipal levels. "The stronger the Federation becomes, the weaker Herzeg-Bosna will become, but at this moment we cannot just cross it out and say that it does not exist any more. It would mean general anarchy, because the Federation has not come into being," said President Zubak, and added that things should not be rushed at this moment. He believes that if the transitional period is not enough, then it should be extended.

"I do not think that, as some have been demanding, [displaced] people should be brought back. How can the refugees return anywhere—the conditions for this have not been met? It would be better if they were patient for a while, and then we can plan their return," said Kresimir Zubak in his interview for OSLOBODJENJE.

Ganic Reportedly Rejects Peace Plan

LD3006173294 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1600 GMT 30 Jun 94

[Text] Ejup Ganic, vice president of the Bosniak-Croat Federation, has said that the Bosnia-Herzegovina Government will reject the international peace plan because it does not say that, if the Serbs reject it, the embargo on the import of arms to Bosnia-Herzegovina will be lifted. According to his statement, he discussed this during his meeting with U.S. Vice President Gore who, as Ganic said, reproached him for lobbying in favor of lifting the embargo in the Congress.

Meets With Gore

LD3006135194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 29 Jun 94

[Text] Here is a report on today's talks between Vice President of the Bosnia-Herzegovina Federation Ejup Ganic and U.S. Vice President Al Gore. Correspondent [name indistinct] reporting from Washington:

[Correspondent] I have learned that during one-hour talks with U.S. Vice President Al Gore, which were held behind closed doors and with no press statements, Vice President Ganic insisted that the [contact group's] maps [for the division of Bosnia] should first be offered to the [Bosnian] Serbs who are loyal to the Belgrade regime, because he expects them to demonstratively reject them. Ganic took the opportunity to remind Vice President Gore of what has happened so far [in Bosnia], stressing that the Serbs loyal to [Radovan] Karadzic would, as always before, understand only the language of force, and that any cease-fire without a clear balance of force and armaments—and the lifting of the [arms] embargo is a good way of establishing that balance—is a complete nonsense which only prolongs the fascist-like agony in the region. Ganic did not receive any assurances from Vice President Gore or [Warren] Christopher's Under Secretary for Political Affairs Peter Tarnoff that the Americans would insist on the maps being offered to the aggressors first.

The reason for this is believed to be that the current U.S. Administration still believes that the offers made by the contact group will be accepted and that, as they say here, the sides will accept internal borders. The same explanation is valid for the instructions coming directly from the White House and the Pentagon, both of which are trying to postpone the vote in the Senate on lifting the [arms] embargo [on Bosnia]. Unfortunately, there are still no indications that this vote will take place.

In talks with the head of Senator Bob Dole's office, Mrs. Mira Baratta, we learned that the vote could take place tomorrow, but without any guarantees that this will in fact happen.

Silajdzic Addresses First Government Session

LD3006165394 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 29 Jun 94

[Excerpts] The first session of the Government of the Republic and Federation of Bosnia-Herzegovina was held today in Sarajevo. The session, chaired by Prime Minister Haris Silajdzic, was attended by the majority of ministers and their deputies. The government members were briefed on [words indistinct] program, its code of practice, and the take-over of duties from the old and new ministries and ministers. Mladen Bosnjak's has prepared a detailed report.

[Bosnjak] Haris Silajdzic, prime minister of the government of the Republic and Federation of Bosnia-Herzegovina, did not speak much about the government's future moves. Noting that he had presented the basic outline in his address, adopted [passage indistinct]. The most important tasks [words indistinct] the country's defense, the further consolidation of the system of authority in keeping with the federal Constitution, economic revitalization, including the monetary and [word indistinct] system, the sphere of social care and security, the sphere of exercising human rights and freedoms, particularly regarding the right of the displaced and refugees to return to their homes, [passage indistinct]

[Begin Silajdzic recording] Our activities should not, must not be impeded. Well, a high degree of political agreement has been achieved about the strategic goals the government should attain. Secondly, the government is operating under politically very sensitive circumstances, so this is why it is important that this is one of those places where problems will be resolved [words indistinct]. The government's powers, and particularly the powers of its ministries, will cover a large number of operative tasks which [words indistinct].

Fourth, in reality, of course, contentious issues will be raised in the work of individual ministries and that of the government. This is normal, just as it is normal for us to act sensibly, responsibly, and patiently in finding solutions to such issues. In other words, we have to operate in a way that leads to solutions rather than to a blockade.

The adoption of the federation's Constitution and the establishment of federal bodies has already in itself put paid to many blockades. Not only must the government survive, but it has to consolidate and advance its position. In this respect each of us, as individuals and the government as a whole, is particularly responsible. All of us have taken on this obligation in the eyes of parliament. I believe we have enough strength and will to.... [sentence unfinished as heard] [end recording]

[Bosnjak] Following this address by Haris Silajdzic, the government members adopted a set of conclusions that task the ministries, the state administration, and state administrative organizations with submitting—within the next seven days—their draft government programs, while the ministries and the government secretary should prepare a draft government program for the July-December period and submit it to the government for debate by mid-July. [passage omitted]

General Delic Comments on Army Offensives

AU0107085594 Zagreb VECERNJI LIST in Serbo-Croatian 26 Jun 94 p 7

[Interview with General Rasim Delic, commander of the General Staff of the Supreme Command of the Bosnia-Herzegovina Army, by Slobodan Lovrenovic; place and date not given: "We Are Prepared for Launching Offensives"]

[Text] General Rasim Delic, Commander of the General Staff of the Supreme Command of the Bosnia-Herzegovina Army, attended the Bosnia-Herzegovina Assembly session as a guest, and he was most often seen in the company of [Croatian Defense Council, HVO] General Ante Roso. As news of the renewed fighting arrived at the same time as that of the success of the Bosnia-Herzegovina Army in fighting with the army of General Ratko Mladic [Bosnian Serb military leader], we asked General Delic for a short interview during a break.

[Lovrenovic] The latest news speaks of renewed fighting in Bosnia-Herzegovina—could you please comment on the situation, and especially that concerning Travnik?

[Delic] By the situation concerning Travnik you probably mean Vlasic. The Bosnia-Herzegovina Army has in the last 10 to 15 days, since the cease-fire became topical, made great progress in liberating the Vlasic plateau and parts of the territory toward Donji Vakuf and Kupres. This is important from the aspect of further progress in the liberation fight in Bosnia-Herzegovina. I think that the Bosnia-Herzegovina Army has shown on these territories that it has the will and the desire, as well as the opportunity, to launch offensives and be successful in doing so.

[Lovrenovic] Karadzic and the Serb side claim that the Bosnia- Herzegovina Army is attacking the territory of Ozren, and pushing the Serbian forces back.

[Delic] The primary aim of the cease-fire that was signed was to continue the political talks. The talks were not continued. The condition for this cease-fire was that the fighting should stop throughout Bosnia-Herzegovina. The Serbs did not stop at Gorazde or Bihac. Therefore, in order for the cease-fire to hold, it has to be observed throughout the territory, and monitoring mechanisms have to be secured. We offered mechanisms that involved the deployment of observers and liaison officers, which UNPROFOR accepted. However, the Serbian side did not accept it. There is the well-known intention of the Serbian side in the Vozuca-Ozren area to secure a corridor across the valley of the Krivaja River. They have not given up on that. They tried to make use of the cease-fire by attacking the village of Hajdarovici in the Maglaj area and Zavidovici. However, the army has created such conditions that it can respond to any attack, not merely sending notes of protest to UNPROFOR and asking that the number of shells fired be noted. This is the context in which their statements should be viewed. The Serbs have been violating the cease-fire, as they always have. Let them look for mistakes on their side, and not on the side of the Bosnia-Herzegovina Army.

New Weapons

[Lovrenovic] What is your assessment of the news from the front lines around Zavidovici and Vozuca that the Bosnia- Herzegovina Army has launched an offensive despite the agreement not to take offensive action?

[Delic] I have already said that conditions and mechanisms should be created in order for the signed cease-fire to hold. We have proposed these. The Serbian side did not accept. The fact that the Serbian aggressor has been attacking the entire territory of Bosnia-Herzegovina has been overlooked. They have been attacking Bihac for some seven or eight months. This is only now being established, and no one says anything about it. The same is true of the Ozren-Zavidovici area. It is known that they have been trying to create a corridor across the Krivaja valley. These attempts have lately become topical again, but the situation is different now. We are now prepared not only to defend ourselves, but also to respond appropriately. Therefore, if the cease-fire is to be observed, let us observe mechanisms to control the cease-fire, and the Bosnia-Herzegovina Army will take no action.

[Lovrenovic] President Izetbegovic has announced that the Bosnia-Herzegovina Army will be receiving new weapons, and we have seen certain missile systems on Bosnia-Herzegovina Television. Are these the new weapons?

[Delic] No; these are weapons that have been known to be produced in our factories. This is the multiple rocket-launcher TU 15 or Orkan, which was also produced before the war. Therefore, this is nothing new, but, because of the conditions in which we have been fighting, we had to develop not new systems, but new production methods that would meet the needs of the Bosnia-Herzegovina Army. In the situation in which we were grouped in certain areas, we had to secure the continuity of production throughout our territory, and this was the most important thing for us.

[Lovrenovic] The Croatian side has appealed for the fighting in western Bosnia, where the Bosnia-Herzegovina Army is fighting against Fikret Abdic's forces, to stop. Is there a chance that these conflicts might stop?

[Delic] This conflict in western Bosnia is certainly harmful for the overall struggle in Bosnia-Herzegovina. However, this fighting is a product of a sick mind. All the attempts to talk to Fikret Abdic on a familiar basis about Bosnia-Herzegovina as a state without any separate independent states with a high degree of autonomy have been in vain. He is a man who seems to have a great desire for power and many complexes. As a man, as a Bosniak and a Bosnian, I would like this to be resolved through talks, but the condition is that the truth be understood—we cannot allow some separate state to be created on this territory. I do not think that Fikret Abdic is one who would discuss such a solution in such a situation. At any rate, the help that Croatia has provided in dealing with this problem has been very valuable, and everything depends on the attitude of those who pushed the people in Velika Kladusa into this situation.

Abdic With the Serbs

[Lovrenovic] Are Fikret Abdic's forces fighting against the Bosnia-Herzegovina Army together with Serbian forces on the western Bosnian front?

[Delic] To my knowledge, there are such joint activities; they are planned. There is even a continuity to the planning and carrying out of activities. The Serbian aggressor has provided direct artillery support and artillery on the territory controlled by Fikret Abdic's paramilitary forces. It is all planned from one center, and the intention is to break up Bosnia-Herzegovina.

[Lovrenovic] How have the HVO formations in western Bosnia acted in this conflict?

[Delic] I have already stated on several occasions that HVO troops, including those in Usora and Posavina, have acted properly. That means that they are defending the borders and the state of Bosnia-Herzegovina.

[Lovrenovic] How do you see the cooperation with General Roso since he was appointed commander of the Joint Command?

[Delic] From the very outset we have established good relations with General Roso, and there are no problems there.

[Lovrenovic] Are you satisfied with the progress that has been made following the establishment of the Federation of the Bosniaks and Croats?

[Delic] Much has been done, and this is evident on the ground and in everyday life. It cannot be denied. It is difficult to assess its importance. It certainly is very important. As commander of the Bosnia-Herzegovina Army, I wish things could be done faster, especially with regard to the army. It is more difficult with the political aspect, because there was fighting in this area after all and this should be taken into account. As commander of the army I would like us to proceed to the stage of joint fighting from this stage of separation and non-confrontation. This is both in the interest of the Croatian people of Bosnia-Herzegovina and the Croatian people of Croatia. The only way is the military defeat of the Serb aggressor. I think this is the only way for Croatia to achieve what it has been striving toward, which is the integral state of Croatia within its borders, and the same goes for Bosnia-Herzegovina. However, there are people who have sick minds, and the only way they will think is if you hit them on the head. Only then can they sit at the negotiating table. In this context, I would like us to move faster in this area, which includes joint planning and engagement in fighting.

Army, Bosnian Croat Forces Hold Talks

LD3006162294 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 29 Jun 94

[Text] The press center of the army of the Republic of Bosnia-Herzegovina reports that important stances for the further work of the joint command of the headquarters of the Republic of Bosnia-Herzegovina Army and the Croat Defense Council [HVO] were coordinated in [word indistinct] today.

According to an agreement reached today, all important military issues concerning the speedy implementation of the constitution of the Bosnia-Herzegovina Federation should be finalized and coordinated at that meeting [as heard]. The main HVO headquarters was represented at today's meeting by Corps General Milivoj Petkovic, Brigadier General Tihomir Blaskic and Brigadier Ivan Zorlak. The joint command of the Bosnia-Herzegovina army and the HVO was represented by Brigadier General (Fikret) Muslimovic and Colonel Zivko Budimir.

The representatives of the joint command informed the main HVO headquarters about problems in the work of the joint command. General Milivoj Petkovic supported the initiative for the (?gradual) separation of forces of the Bosnia-Herzegovina Army and the HVO and for resolving other problems in order to normalize life and establish peace between the Bosniaks and the Croats.

During the talks, proposals for the free movement of civilians were upheld.

Bosnian Croat Demands UNHCR Pay Toll

LD3006175894 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1600 GMT 30 Jun 94

[Text] I will do everything to maintain the road of salvation for central Bosnia, but you, as the greatest user of this road, owe me $2 million. This was stated at a meeting in Mostar today by Ilija Kozulj, minister for transport and communications in the government of the Croat republic of Herceg-Bosna, to Mrs. Karen Conning-Abuseyad, head of the UNHCR for Bosnia-Herzegovina. I will persist and annoy you by demanding payment of this debt. I will send you a bill and regular red bills, Kozulj said.

At the same meeting Zulfa Robovic, minister for reconstruction and development, and Damir Ljubic, deputy head of the office for refugees in Herceg-Bosna's government, also informed Karen Conning-Abuseyad about the situation in the areas under their competence, and about the outstanding debts owed to them by the United Nations.

Slobodan Bozic, who is in charge of relations with UNPROFOR [UN Protection Forces], requested that the international institutions do not bypass the legal bodies of authority of the Croat republic of Herceg-Bosna, because they will function until the Muslim-Croat federation is fully established.

UNPROFOR Expects Cease-Fire Extension

AU3006185194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 30 Jun 94

[Text] The Sarajevo headquarters of the UN Protection Forces [UNPROFOR] today announced that (?a statement) by UN Secretary General Butrus-Ghali about the possibility of prolonging the cease- fire in Bosnia-Herzegovina can be expected today or tomorrow. It was not specified what sort of a statement by the UN secretary general this would involve nor whether Butrus-Ghali has the consent of the (?interested) parties for the possible prolongation of the cease-fire agreement.

Simultaneously, fighting between the Serbian aggressor and the Bosnia-Herzegovina Army continued on the ground, especially in parts of central Bosnia and (?around Mt. Ozren), Sarajevo headquarters of the UNPROFOR reported.

Near Ribnica UN military observers counted 209 explosions [words indistinct] toward the Bosnian Sava Basin corridor 51 explosions, UNPROFOR representative in Sarajevo Major Eric Chaperon said today. He added that [word indistinct] of Karadzic's Serbs shelled Travnik on several occasions yesterday. In the morning the aggressor [word indistinct] 11 grenades on the town. The grenade that hit the municipal hospital at noon killed one and injured five civilians.

We have noted [word indistinct] intensity of clashes in the Bihac district, especially along the separating lines of the 5th Corps of the Bosnia-Herzegovina Army and the Serbian aggressor. Battles were fought near Otoka and Bosanska Krupa, while 61 grenades were fired on [word indistinct], Eric Chaperon announced today.

UN: Serbs Counterattacking on Ozren Front

AU0107091794 Paris AFP in English 0854 GMT 1 Jul 94

[Text] Sarajevo, July 1 (AFP)—Bosnian Serb forces have launched two counter-attacks against the mainly Moslem Bosnian Army in the north of the country, UN officials said Friday [1 July]. The Serbs, responding to a government army offensive, struck in three different areas of Mount Ozren in northern Bosnia, the UN Protection Force said. Bosnian Army forces were also pressing an offensive west of Travnik, in central Bosnia, the officials said.

Army Corps: Serbs Suffer 'Defeat After Defeat'

AU0107085494 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 1 Jul 94

[Report by the Information Service of the Bosnia-Herzegovina Army 3d Corps]

[Excerpts] The most elite Chetnik units—the Panthers, Wolves [Vucjaci], Mauser's Men, and members of the [word indistinct] Doboj-Belgrade—are suffering defeat after defeat on the Vozuca front. Yesterday, one of the worst days since the outset of [Bosnian Serb military leader Ratko] Mladic's offensive on 26 June—together with the local Chetniks—they launched eight artillery, infantry, and tank attacks. When they counted their men after these attacks, the general's special forces realized that some 15 of them lay dead near the lines of the fighters of the 3rd Corps. [passage omitted]

During an enemy attempt at a tank breakthrough in the village of Rijecani yesterday, our antitank units destroyed a T-55 tank together with its crew using a Malutka missile, the second tank to be destroyed since the start of the offensive. That was the reason why [words indistinct] Karadzic, since the Chetnik armored units refuse to accompany the infantry. [passage omitted]

[Words indistinct] on the Vozuca front, we can conclude that, since the start of the enemy offensive, some 120 of the aggressor's soldiers have been killed, and some 200 wounded. Taking into account that on top of that two tanks and several artillery pieces have been destroyed, it is clear that Mladic has paid a high price for trying to expand the so-called Serb republic. [passage omitted]

Serbs Lose Tank, 'Many' Men in Zavidovici

AU0107085994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 1 Jul 94

[Report by Viktor Boban from Zavidovici]

[Excerpt] Yesterday the so-called army of [Radovan] Karadzic's launched four attacks along the Rijecani-Imamovici-Nisici line. Apart from tanks, artillery, anti-aircraft weapons, and small arms, the enemy also used chemical agents. One of the [Serbian] aggressor's tanks was destroyed in the fierce clashes, and many chetniks were (killed). The defense lines remain stable. [passage omitted]

Muslims Arrest Bosnian Croat Official

LD3006174294 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1600 GMT 30 Jun 94

[Text] At around 1400 today the military police of the Bosnia-Herzegovina Army 2d Corps arrested Croatia's Milenko Marjanovic, vice chairman of the Croatian Democratic Union [HDZ] Municipal committee, and member of the [word indistinct] HDZ regional committee, in front of some 20 residents of the Croatian village of Lipnica in Tuzla municipality. The reason for the arrest was his refusal to be mobilized into the Bosnia-Herzegovina Army. The Bosnia-Herzegovina Army's Second Corps has recently tried to mobilize Croatian women, who, according to the draft letter, must report to mobilization points. Failing this, they too will be arrested, HABENA [Bosnian Croatian news agency] reports.

HDZ Official Views Federation Process

AU0107101494 Split SLOBODNA DALMACIJA in Serbo-Croatian 26 Jun 94 p 4

[Interview with Pero Markovic, president of the Executive Committee of the Croatian Democratic Community of Herceg-Bosna, by Nada Kordic and Fabijan Katavic; place and date not given: "Federation Only With Confederation"]

[Text] The main topic of conversation among the Croats in Bosnia-Herzegovina is still the Vienna cantonal division. With regard to this, Pero Markovic, president of the Executive Committee of the HDZ [Croatian Democratic Community] of Herceg-Bosna, said:

[Markovic] First, the issue is not one of mixed cantons, but a parity cantons. As far as access to the sea for the Muslims is concerned, this was mentioned in all the resolutions. The Muslims can use the communications leading to the sea, whether the port of Ploce or any other town. As far as access to the sea in the sense of a corridor, in a territorial sense, is concerned, this is another issue. I hope we will live in such conditions that the transportation of people and goods will be allowed and open.

[SLOBODNA DALMACIJA] What will happen with the laws of the Croatian republic of Herceg-Bosna when the legislative power of the Bosnia-Herzegovina Parliament is established?

[Markovic] This issue is regulated by the Federation Constitution—there are certain things that are not clear, but these will be specified in the constitution of the great counties [velezupe], that is, the cantons. They have not emerged yet, as such processes are slow, and it takes

longer to establish peace than conflicts. Much depends on the level of trust among the people who entering into a community.

The Croats Were Defending Themselves

[SLOBODNA DALMACIJA] Can we trust the international community after three years of war?

[Markovic] We must trust the international community. These institutions have long traditions, especially the UN, which has been efficient in several areas. However, the positions of the international community are not always coordinated. Greater Serbia is not only a Serbian idea. Muslim fundamentalism, which caused the war and aggression against the Croats of central Bosnia and northern Herzegovina was supported by part of the world.

[SLOBODNA DALMACIJA] Accusations were often aimed against the Croats.

[Markovic] The Croatian people in Bosnia-Herzegovina were victims; they were defending their homes and their people, as they were in the Republic of Croatia. We had to take up arms and defend our Croatianness, and we arrived at what we have now through a great many wise judgments. More wisdom and cool-headedness will be required in the future, as this is the only way for us to achieve our aims.

[SLOBODNA DALMACIJA] How do you see the activities of the Assembly of the Croat-Muslim Federation?

[Markovic] These activities have resulted in the establishment of the Constituent Assembly, the session that followed it, and the session that has just ended. Unfortunately, each time there had to be interventions in the Constitution, though we felt that the Washington Agreement should not be changed. The Vienna Agreements demand changes to the Washington Agreement. However, things have been developing in the best possible way.

The War Is Not Over

[SLOBODNA DALMACIJA] How should the Washington and Vienna Agreements be implemented with regard to the organization of the authorities?

[Markovic] First, it should be said that the Croatian republic of Herceg-Bosna will exist until the establishment of the Federation and confederation—in a package! We cannot separate the confederation with Croatia from the Federation between the Croats and Muslims, because the agreements are tied. There is no reason to rush things, as every rapid change is painful. We must adjust as much as possible, but not abandon our interests or forget what we were fighting for. The Croats can make no more concessions!

[SLOBODNA DALMACIJA] You have the Third HDZ Congress ahead of you—it will take place in Mostar on 9 and 10 July.

[Markovic] There has been a great burden on the HDZ since the elections and the constituting of the authorities, as well as in all the activities that it has carried out, and it did not have much time, especially in central Bosnia, which is especially important, as central Bosnia is the key to defending Croatianness in Bosnia-Herzegovina. In Posavina certain political and military consolidations have been carried out, and we are satisfied with this. The territories of Tuzla, Bihac, and Sarajevo are besieged, and they have survived a very difficult war through superhuman efforts. This should all be said at our Congress, so that we can mark the way for the future, but we cannot forget that the war is not over yet, and we must consolidate our institutions in the Croatian republic of Herceg-Bosna. The strength of the Federation will also depend on how strong Herceg-Bosna is.

Tudjman Praises Country's Anti-Fascist Past

AU3006184394 Zagreb HINA in English 1726 GMT 30 Jun 94

[Unattributed report: "President Tudjman's Interview With VECERNJI LIST"]

[Text] Zagreb, Jun 30—Croatian President Franjo Tudjman gave an exclusive interview to the Zagreb newspaper VECERNJI LIST on the occasion of its 35th anniversary. The interview will appear in tomorrow's issue.

Speaking of the anti-fascist movement in Croatia, President Tudjman said the Croatian anti-fascist movement was stronger than in other former Yugoslav republics and among the strongest in Europe. "The essence of anti-fascism in Croatia is the struggle against fascism and against the NDH - Independent State of Croatia (quisling state created after Hitler's occupation in 1941) insofar as it maintained links with fascist Axis forces. (...) Ninety percent of Croatian communists and Croatian anti-fascists were people who fought against fascism because it was a reactionary ideology, but also with the aim of achieving a free, democratic, sovereign, and independent Croatia," President Tudjman said. President Tudjman stressed that the ranks of Serb insurgents (in 1941) "numbered not only anti-fascists but also chetnik, pro- greater Serbia elements." He noted that in World War II the Knin area was the stronghold of such chetnik elements, "which collaborated with fascist Italy and were fought at great pains by the partisan army until the final liberation of Knin." "In Knin lie the roots of the 'trunk revolution' (Serb rebellion in 1990 which started with tree trunk roadblocks) and of the occupation of the Croatian territory by pro- greater Serbian extremists, backed by the Yugoslav-Communist army and imperialist elements in Belgrade," President Tudjman stressed.

"I recognize the merits of the Serb people who fought in the anti-fascist resistance movement. I have already said that the Croats accounted for a little over 60 percent of the partisan forces, while the Serbs accounted for 28 percent. But in the whole anti-fascist movement, which includes the local government bodies in the liberated areas, anti-fascist youth and women's organizations and so on, the proportion of Croats was far greater than in the partisan forces proper," President Tudjman said, stressing that the "crux of the matter was that the Croatian people on one hand went along with NDH, thinking that it was at least going to be a Croatian state, but on the other hand, many fought in the anti-fascist movement in order to insure Croatia's future as a member of the democratic anti-fascist coalition."

President Tudjman urged scientists and publicists to bring to the public notice the data about the World War II victims. "Fabrications about fascism in Croatia are still being circulated abroad. Inflated figures are bandied around, such as the mythical 700,000 Serbs killed in Jasenovac. The truth is that the number of war victims in the whole of Yugoslavia does not reach 700,000, which is passed as the number victims killed in Jasenovac only and imputed to the Croats," President Tudjman said.

Commenting on current talks with Serb rebels, President Tudjman said the "occupation of the Croatian territory is related to the resolution of the war crisis in Bosnia-Herzegovina. It is obvious that a majority of the local Serb population in the regions of Knin and Baranja are dissatisfied with the present misery and lack of prospects for the future. But it is also obvious that those who led the Knin rebellion in the August of 1990 are directly serving the ultimate end of Serb imperialism, which is to achieve a greater Serbia. This is an unrealistic demand, which the Croatian people cannot accept and tolerate," said President Tudjman, adding that in this matter the Croatian state had the support of the entire international community.

President Tudjman noted there were "indications that competent politicians in Serbia realized that the occupation of Croatian territories was untenable. Such views are apparent from their public statements about the need for ending the war and normalizing Croat-Serbian relations," said President Tudjman. "The people in charge in Serbia are becoming aware of this, because the policy of achieving a greater Serbia at Croatia's expense has already resulted in catastrophic consequences. If they do not give up the occupation, there is no doubt that such a policy will bear even more calamitous consequences," President Tudjman concluded.

Defence Council Discusses Refugee Reintegration

AU3006173294 Zagreb HINA in English 1452 GMT 30 Jun 94

[Text] Zagreb, Jun 30—The Presidential Defense and National Security Council convened on Thursday [30 June] under the chairmanship of Croatian President Franjo Tudjman, said the President's Office in a statement. The council considered the current foreign and home policy issues, particularly a demand by the Union of Refugees that UNPROFOR's [United Nations Protection Force] responsibility for the non-implementation of UN Security Council Resolutions 769 and 871, relative to the reintegration of the occupied areas and the return of the refugees, be clearly established, said the statement. Expressing understanding for the refugees' demand, the council stressed that the Croatian leadership's efforts to reintegrate the occupied areas and ensure the return of the refugees by peaceful means should not be hindered by hasty actions. Noting that the first task of the Croatian leadership was the liberation of the occupied areas and the return of the refugees to their homes, the council decided that the government should devote one of its session to refugees' problems and the parliament should hold an emergency session to consider UNPROFOR's status in Croatia. The council supported the union's demand that a ministry be set up especially to deal with their problems and create the conditions for the return of the displaced persons to their homes. The council expressed concern over reports of recurrent

instances of illegal traffic in the occupied areas, carried out with the complicity of some parts of UNPROFOR. The council also noted the problem of unfair distribution of humanitarian aid, the populations in the UNPAs [UN Protected Areas] receiving a far larger proportion of aid than the populations expelled from these areas.

Assembly Elects 15-Member Judicial Council

LD2806195794 Zagreb HTV Television in Serbo-Croatian 1730 GMT 28 Jun 94

[Excerpt] The Chamber of Deputies of the Croatian Assembly—to be more precise, deputies of the Croatian Democratic Union, Croatian Party of Right, Serb People's Party and a few independent deputies of national minorities in the absence of a majority of opposition parliamentary parties—dealt with the major part of business of the 18th marathon session. Here is the most important issue:

A 15-member Croatian State Judicial Council (Hrvatsko drzavno sudbeno vijece) was elected. Ante Potrebica was elected its chairman. Even though there were some objections to the members of the Council from Split, the majority of its members were unanimously elected. The main task for the Judicial Council is to appoint judges in Croatia. [passage omitted]

Government Expects Lowest Inflation in Europe

AU3006172594 Zagreb HINA in English 1247 GMT 30 Jun 94

[Unattributed report: "Croatian Government on Trend in Prices and Tourism"]

[Text] Zagreb, Jun 30—This year's inflation in Croatia will be one of the lowest, even maybe the lowest in Europe, estimated Croatian Deputy Prime Minister Borislav Skegro at today's session of the Government which was held under the chairmanship of Deputy Prime Minister Vladimir Seks. Presenting data on price trends, Skegro said that even if retail prices went up by one percent a month, annual inflation would amount to 1.7 percent by the end of this year. Skegro said that excises adopted by the Croatian Parliament will lead to the increase of prices of cigarettes, and lower prices of other products will reduce excises' negative effect. Deputy Tourism Minister Vinka Cetinski presented data on trends in tourism in the first five months of this year. 675,000 of tourists visited Croatia and that is 24.8 percent more in comparison with the same period last year and 34 percent of the total number of tourists who visited Croatia in 1990, before the war started.

Displaced Persons Plan Anti-UNPROFOR Rallies

AU0107074294 Zagreb HINA in English 1928 GMT 30 Jun 94

[Text] Zadar, 30 Jun—Displaced persons in Zadar-Knin County (southern Croatia) will block the Zadar-Biograd-Split road for traffic of U.N. Protection Force (UNPROFOR) vehicles at noon on 1 July. The movement of UNPROFOR vehicles will be hindered as well in front of Zadar's Hotel Kolovare where its offices are located.

On this occasion the chairman of the community of Zadar County's displaced persons, Radoslav Bobanovic, said that the displaced persons required from UNPROFOR to implement fully relevant U.N. Security Council resolutions and the 29 March cease-fire agreement and to disarm Serb paramilitary formations in the occupied areas of Croatia as well as to make it possible that Biograd be provided with water supplies from Kakma.

Sibenik County's displaced persons (southern Croatia) would not join protests against inefficacy of UNPROFOR on Friday, said Ante Jerkovic, chairman of the community of the displaced persons in that County.

"It is not the question whether Sibenik County's displaced person will sympathize with the displaced persons in Osijek-Baranja County, Sisak-Moslavina County, Lika, and Slavonski Brod-Posavina Counties who will participate in the protest. We sympathize with them, because we are connected by the same fate of exiled persons, but we will not join in tomorrow's action since we hold it is manipulation of the displaced persons and we are not ready to submit to it," said Mr. A. Jerkovic.

World Bank Signs $128-Million Loan Agreement

LD2706181394 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 27 Jun 94

[Excerpt] The Republic of Croatia and the World Bank today signed an agreement on a loan worth $128 million. Beri Brkic reports from Washington:

[Brkic] The resources from the loan will be used to rebuild the economic infrastructure, roads and railways, and power installations in the Zadar and Dubrovnik areas, to provide water supply, irrigation, and protection from floods, to introduce improvements in agriculture, and to rebuild residential buildings in the worst hit regions of Croatia.

Some $10 million will be set aside for the reconstruction of the occupied areas after their reintegration in the Croatian state.

The loan, with an annual interest rate of 17 percent, which will not be repaid in the first four years, was signed on behalf of Croatia by Finance Minister Zoran Jasic, and by a regional representative for Europe and Central Asia on behalf of the World Bank. [passage omitted]

Albanian Participation in Census 'in Doubt'

AU2906063294 Tirana TVSH Television Network in Albanian 1635 GMT 28 Jun 94

[Text] Although half of the deadline for the census in The Former Yugoslav Republic of Macedonia [FYROM] has passed, as a result of the authorities not meeting their requests, the Albanians have still not participated in the census. Here is a report by our correspondent there, Aferdita Sokoli:

[Sokoli] Today, too, the Albanians in Macedonia did not appear at the census centers. The Albanian population here is in doubt whether it should participate or not. Meanwhile, the Albanian registrants and instructors are waiting for authorization from the Republican Office to come out in the field. The Albanian political subjects, including the group of parliamentarians and ministers in the FYROM Government are also in doubt whether they should enrol at the census centers. This doubt has seemingly been caused by the fact that no Albanian subject here has had the courage to take responsibility for the final results of the census.

Thus, the Tetovo-based Popular Democratic Party presidency declares that this party will not hinder the census, but does not acknowledge its assistance in this direction.

The Party for Democratic Prosperity [PDP], the largest party of Albanians in this republic, presents the same doubt. In the communes inhabited by Albanians, such as in Diber, its leaders confirmed today that no objective and real conditions have been created for the Albanians of this commune to participate in the census.

The PDP branch in Struge also notified its public that the conditions for the census have not yet been created. There are reports that the same opinion reigns in Kercove, too.

NOVA MAKEDONIA, the main Macedonian newspaper published in Skopje, writes in today's issue that the census is not being held in Tetovo and Gostivar. Meanwhile, this newspaper confirms that in the regions of Diber, Kumanovo, and Kicevo inhabited by Albanians, the census has not yet started.

The Republican Statistics Office reports that over 450,000 inhabitants, more than 130,000 families, and over 140,000 house-units have so far been enrolled. Of course, all of them are Macedonians.

Tetovo Albanians To Participate

AU2906131594 Skopje MILS-NEWS in English 29 Jun 94

[Unattributed report: "Census 1994"]

[Text] Local census committees inform that 568,444 citizens have been registered by 27 June inclusive, 558,304 out of them having legal Macedonian residenceship. 165,168 households, 172,662 apartments, and 61,857 farms have also been registered thus far. As soon as the so-called Memorandum of Albanian parties reaches Tetovo, the census in this town is expected to begin normally. Certain difficulties, however, still exist in Debar, Gostivar, and Kumanovo.

Further Report on Census

AU0107073994 Tirana TVSH Television Network in Albanian 1800 GMT 30 Jun 94

[Text] Let us go over to correspondent Aferdita Sokoli for a telephone report on the census in the Former Yugoslav Republic of Macedonia [FYROM]:

[Sokoli] Official sources here in Skopje reported yesterday and at noon today that in several communes, Tetove, and Gostivar, Albanians had been turning up for the census. However, direct contacts with the registrars and Albanian citizens in Tetove and Gostivar have convinced us that the census has not effectively started. There is still confusion both procedurally and because the climate created for the Albanians in this process gives the impression of a farce or a contrivance in the hands of the Macedonian authorities.

The idea that I got from a conversation with Mr. Hogg, representative of the Council of Europe, was that the Albanians should take part in the census. According to him, the law was drafted in conformity with international standards, but the concrete national circumstances in the FYROM were imposing several additional circumstances.

On the other hand, our enquiry to the Republican Statistics Office did not receive an answer.

Meanwhile, police stations this morning were full of Albanians applying for documents and nationality.

Seven Albanian registrars left today from Skopje for several European countries to register Albanians who work there.

Albanian Party Condemns 'Draconian Sentences'

AU2906204094 Tirana TVSH Television Network in Albanian 1800 GMT 29 Jun 94

[Text] A communique by the Tetova-based Party for Democratic Prosperity [PDP] states that the draconian sentences against 10 Albanians reveal the political topography of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]. These sentences, the final campaign of repression by the police forces stationed in Tetova barracks, and the latest aggressive statements by government officials and Macedonian political representatives have already assumed the form of an open challenge against the Albanians.

Expressing its deep indignation over these sentences and similar ones, the Tetova-based PDP invites its members and other political subjects to a political reactivation with the purpose of denouncing the anti-democratic and

anti-Albanian policy, as well as manifesting the political force of Albanians in Macedonia.

President Receives CSCE Minorities Official

LD2806161394 Belgrade TANJUG Domestic Service in Serbo-Croatian 1104 GMT 28 Jun 94

[Text] Skopje, 28 June (TANJUG)—Macedonian [Former Yugoslav Republic of Macedonia] President Kiro Gligorov received Max Van der Stoel, CSCE high commissioner for national minorities, in Skopje today. Van der Stoel arrived in Macedonia last night, the president's office reported. Ethnic groups living in Macedonia and the current population census were the topics discussed at the talks. The CSCE high commissioner today also had a meeting with Macedonian Foreign Minister Stevo Crvenkovski.

Ministry Protests European Court Decision

LD0107103694 Belgrade TANJUG Domestic Service in Serbo-Croatian 0927 GMT 1 Jul 94

[Text] Skopje, 1 Jul (TANJUG)—The decision of the European Court of Justice in Luxembourg, rejecting the European Commission's request to order the lifting of the Greek embargo against Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] is not helpful in resolving the problem of closed borders betwen the EU and Macedonia, a statement issued by the Macedonian Ministry for Relations With Foreign Countries says. The final ruling should be passed as soon as possible in the interest of cooperation between Macedonia and the EU and of the respect for the EU's internal regulations, particularly since the court has already stated that the unilateral measures taken by Greece are in breach of EU regulations, the statement says.

Higher Tariffs Introduced in Slovene Trade

AU3006105294 Skopje MILS-NEWS in English 30 Jun 94

[Unattributed report: "New Customs Tariffs"]

[Text] Yesterday, the Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] Government discussed and adopted changes and additions to 5 decisions regarding customs tariffs in the country. The government proposed introduction of an additional 5 percent on import of consumption goods and new cars, to be valid only 6 months. The goal is to provide finances for the budget deficit, which is one of the IMF conditions for signing a stand-by agreement. The government also brought a decision on goods imported from the Republic of Slovenia, equalling them with goods from any other country. It also suggests a special 7.5 percent additional customs tariff on certain products from Slovenia, such as frozen meat, home appliances, furniture, carpentry, certain kinds of paper, and cosmetics. Minister of Economy Petrus Stefanov confirmed at yesterday's press conference this will practically deprive Slovenia of its preferential status, on grounds of the Macedonian deficit in the two countries goods exchange.

Role of Most Powerful Business Leaders Viewed

94BA0321A Skopje VECER in Macedonian 28-29 May 94 pp 6-7

[Article by Vasko Eftov: "Leaves of Evergreens for the Macedonian Berlusconi"]

[Text] *Is the so-called "top 10" most powerful directors an indication of the establishment of an elite of personalities in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]?*

For the time being at least, the Macedonian top 10 are a good mixture of old and good evergreens and new high-frequency hits. It may be more accurate to speak of the top five or, going to the other extreme, of the top 20. Be that as it may, the idea remains the same: Get into heated discussions on the influence of powerful directors on the Macedonian economic-political situation.

Does this mean that an elite of personalities is developing in Macedonia? Or, to be more precise, are the top 10 directors all that powerful?

Unquestionably, the answer (the issue being the extent to which a person must be firm in facing such a question) should lie between the two extremes. There was a terrible slaughter of directors, which started some time at the beginning of the 1980's. The present middle-level generation of directors, nonetheless, developed during a period of unquestionable dominance of a variety of township-party "bosses." Hence it is natural that seared in their memory is the basic gravity rule: One goes down much faster than up! Actually, that generation finds itself within a terrible time interval: Only a few years ago it was too young to take over, and now it is too old.

Be that as it may, the appointment of 30-year-old Branko Crvenkovski, who is probably the youngest European prime minister, totally changed the old membership limits of the so-called personnel elite. Actually, at least for the time being, much more natural is the symbiosis between young politicians and new businessmen. Let us add to this the familiar rule of the effect of dipping a wet and a dry sponge in water (read business).

Big and Small Market

For decades Americans have been nourishing the cult of the military-industrial complex. We are familiar with the threesome of powerful businessmen, politicians, and heads of the military establishment, and with the two "markets" that they make. Naturally, they are elective. The big market, which is actually an agreement between the powerful individuals and the politicians, deals with the allocation of electoral services. This is followed by the minor game of the voters choice.

The end of the Cold War led the American people to expect a drop in appropriations for military purposes. However, such appropriations are rising. The initial explanation was the following: If the military budget is reduced, California will sink in unemployment. A more realistic explanation is the following: It does not suit the military-industrial complex. In 1984 then U.S. President Reagan appointed a team of experts to study the reasons for the inefficiency of the public sector. The conclusion was that inefficiency was costing the United States something like $425 billion. The Pentagon, for example, which is most frequently linked to the military-industrial complex, was paying $91 for a screw although its market price did not exceed three cents.

A special law on deconcentration of banks was passed by the World War II allies in 1952, with a view to crushing German militarism. Three of the most powerful banks were especially selected: the Deutsche Bank, the Commercial Bank, and the Dresden Bank, for their strong influence on the German economy. The powerful banking oligarchy nonetheless remained, and not only in Germany.

The Japanese have a developed special cult of powerful directors, which goes hand in hand with their tendency to set up conglomerates of powerful producers whenever possible. It is no accident that the frightening domination of Japanese giants came about by the end of the 1990's: the NEC, Hitachi, Fuiji, Toshiba, Matsushita, and Mitsubishi found themselves among the 10 biggest producers of computer chips (unquestionably the most advanced sector today). For example, in 1966, when this process of conglomeration within the Japanese economy started, the biggest giants were not rated as leaders in the world.

Secondary Features

It was the Law on Privatization that made us aware of the power of the Macedonian directors lobby. The law was passed after the directors achieved what they wanted. The privatization process is extremely weak, which unquestionably and eventually will lead to a further decline in the value of the enterprises (according to some this is known as Macedonian-style basic accumulation). The new law made possible to check the "bookkeeping swindles" that occurred during the period of the Markovitj privatization. Somewhat belatedly, Minister Miljovski realized that any opposition to the directors was useless.

Slightly before Miljovski, the power of some members of the then Macedonian top 10 had been felt by former Prime Minister Kljusev and Deputy Prime Minister Jovan Andonov. The now deceased Gavro Gavrilski, the then Makpetrol director, lectured them on operating from behind. Mr. Kljusev was replaced with the bitter feeling that, among others, someone had been operating behind his own back in triggering petroleum crises. Andonov tried to conceal his failure to implement his idea of organizing NABEMA (a kind of state company for the distribution of petroleum derivatives, the final purpose of which was to block the Makpetrol monopoly) by offering his resignation (later on, his resignation was demanded). Ljube Janev, the heir of Gavrilski, nonetheless was unable to block Jukanov's agreement with Shell. Janev, nonetheless, is still not one of the top 10.

Nor does the list include Vanja Bitoljanu, a long-term favorite of the state. The departure of the charismatic Vasil Tupurkovski from the stage seems to indicate the beginning of the end of Bitoljanu. Today, those who are always well informed claim that it is only a question of time until Bitoljanu is "check mated" by the Antoni Pesev-"Jukan" couple. Furthermore, Bitoljanu is no longer part of the game. This was quite clearly indicated with the establishment of the MAT Airline.

One-Act Plays With Cadres

Long-lasting among the Macedonian top 10 directors is the popular Singo. Ljubisav Ivanov has been Sileks general director since 1964. With the help of the FNP [expansion unknown] he masterly succeeded in building his own empire in Kratovo. It spread throughout eastern Macedonia. It was natural for Singo to take a look at Skopje. Inteks was already bought. Sileks is widespread and owns a good share of the southern section of the city's sports stadium. It is being said that Ivanov is also behind the latest quarrels in Skopje's Slavija. Last year he became the manager of the FSM [Soccer Association of Macedonia], expelling the until recently very powerful "Puigo supporter" Filip Djurcinovski.

It is still not clear why Kiro Zrmanovski, until yesterday the "best-known pensioner," sought refuge in the Economic Bank after he retired as director of the pension fund. In that context we must include the "deal" from Zrmanovski's time, which was made between the fund and the Economic Bank, as a result of which the pensioners were able to increase their pensions precisely through that bank. Actually, Ljupco Popovski's power is based on the fact that 80 percent of Macedonian banking is done by the Economic Bank. If the Economic Bank does not help in paying wages at the Iron Works, the MZT [Tito Metal Works], etc.... and the pensions, Crvenkovski's cabinet would have a hard time.

The Old Diopter

A small digression: Is it possible for any one of the candidates included in our list of the most powerful directors to become prime minister or, at least, a minister. The first association which comes to mind is that of Berlusconi. Somewhere here we also find Ross Perot, who was Clinton's and Bush's rival in the latest presidential campaign in the United States (it is being said that had Perot not given up, withdrawn, and then again rejoined the race, Clinton would now be enjoying the beauties of Arkansas).

Actually, neither Berlusconi nor Perot gambled exclusively on their business success. Berlusconi, for example,

rated the current sociopolitical situation in Italy absolutely accurately, including the feverish demand of the Italians for a "firm leadership." All this was the result of the tremendous corruption, the mafia scandals, the assassination of public prosecutors, and the birth of neofascism. To the Americans, Perot meant an alternative to the century-old Democratic-Republican puddle. Simply put, the Americans wanted a change.

Unquestionably, the Macedonian citizenry is still looking at the election with the old diopter. One cannot combine business with politics. On the other hand, no one knows how the citizenry will accept a successful businessman as prime minister, among those who make strong statements about black marketeering, corruption, and becoming rich overnight. In this case we must not forget the unwritten rule that quite frequently one's own failure is tied to the other person's success. The Liberal Party, which is promoting itself as the defender of the directors' interests, has lost some of its rating, at least as shown by the results of public polls.

In any case, a deeper study would reveal that a personnel elite is developing in Macedonia. Perhaps the autumn elections will not result in a Macedonian Berlusconi. However, one could not swear that such an outcome could not happen in the immediate future.

[Box, pp 6-7]

The Top 10

Let us make this clear immediately: This is a list ranking the 10 most powerful businessmen. For the sake of truth, most powerful also includes the attributes of being good and successful as well as something else. For the list which follows is the result of some informal sounding of views regarding business and political circles in Macedonia:

1. Danco Suturkov, deputy general director of Makedonija Tabak. Unquestionably one of the most powerful businessmen in Macedonia, affiliated with the liberals.

2. Sveto Janevski, general director of Skopje's Brewery. He too is affiliated with the liberals (he is a member of their presidency). He is also a member of the administrative council of the Privatization Agency. He is the most important financier of the liberals. He is also known as a major sponsor of various governmental and diplomatic activities.

3. Ljubisav Ivanov-Singo, general director of Sileks. A graduate of the School of Mining in Belgrade. Since 1962 technical director of Sileks and, as of 1964, its general director. He is a representative in the Republic's Assembly and, as of last year, president of the Soccer Union of Macedonia. He had been mentioned as a possible candidate for prime minister in the first Macedonian government. He is a member of the Socialist Party.

4. Sterjo Nakov, Fersped general director. Born on 26 September 1948. General director of Fersped since 1983. A graduate of the School of Economics in Skopje. According to a number of people, he is a key player in the exceptionally powerful Romanian lobby in Macedonia.

5. Jorgo Tjuka, general director of OHIS [Skopje Organic Chemicals Industry Enterprise]. Born in Krusevo on 3 August 1947. Graduate of the Technological Metallurgy School in Skopje, 1972. General director of Ohis since 1987 and general director of Henteks in 1986-87. Member of the administrative council of the Privatization Agency and the Council of Interethnic Relations. Supports the Social Democratic Union.

6. Ziko Gruevski, co-owner of Jukan Trade International. Born on 22 March 1958. Graduate of the School of Economics in Skopje. Founded Jukan in 1989, as part of the "Agi Group of Companies" system, with sister companies in Montreal, New York, London, Frankfurt, Vienna, Prague, Budapest, Sofia, Warsaw, and Belgrade. Affiliated with the SDSM [Social Democratic Alliance of Macedonia].

7. Ljupco Popovski, Economic Bank general director.

8. Antoni Pesev, who founded the Ultra Company in 1989. Born September 1962. Graduate of the Electrical Engineering Department. Former minister of urbanism and urban construction in Crvenkovski's cabinet. First chairman of the Private Capital Chamber. Former SDSM minister.

9. Ilija Kamcev, founder of the Orka Sport in 1990. Born 6 December 1937 in Kavadarci. Graduate of the School of Economics in Skopje. Director in charge of textiles in Makoteks; for 14 years general director of Makedonija Sport, representative of Makoteks in Bulgaria. Affiliated with the SDSM.

10. Velija Ramkovski, owner of the Uniprokom Holding Company. Born 4 February 1947 in Dobrenoec, Prilep area. Graduate of the School of Economics in Skopje. In 1990 formed the Uniprokom Company, which includes the A1 independent television channel. Present chairman of the Private Capital Chamber.

Drnovsek-Berlusconi Talks 'In Question'

AU3006154694 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 30 Jun 94

[Text] Members of the Slovene-Italian Commission for Property and Legal Issues are meeting in Ljubljana today. Knowing that the Italian side is setting a condition on Slovenia drawing closer to the European Union—the property of the former Istrian refugees—and knowing the Slovene position is that this problems was resolved by the Rome Treaty in 1983, according to which Slovenia is willing to pay compensation for the property, then we can conclude that today's meeting in Ljubljana is an important political event. Nadja Pengov reports:

[Begin Pengov recording] The card that everybody has been placing their bets on, namely, that the neo-Fascists have come to power in Italy and that the world will turn away from them in disgust and support us, was evidently not the right one. True enough, Europe did frown at first, but then it put on a diplomatic smile befitting of a big country that is gaining in importance in foreign affairs, which is precisely how Italy behaves. Slovenia, a small and new country in transition that is, for most of the world, still an ex-Yugoslav republic, is receiving blow after blow in the form of thinly-veiled demands for a change of borders—and the undisguised appetites for the property of the former Istrian Italians, which is merely a more refined form of the former.

Slovenia is quoting the Rome Treaty in the dispute and, formally and legally speaking, the story is over in regards to us. However, this is not really the case, hence yesterday's statement by our foreign minister: If Slovenia is, nevertheless, to acknowledge the Italian interest then it will expect the same gesture of goodwill from the Italian side. He mentioned the injustices committed here during the Fascist rule. However, there are no signs of goodwill from the Italian side; on the contrary, it is behaving haughtily. Let us start at the beginning:

The Italian foreign minister, whom we invited to Ljubljana recently, avoided the talks by saying that he was too busy with important duties. During his visit in Zagreb, Minister Martino announced that the Croatian and the Slovene presidents will also attend the Trieste meeting with [Italian Prime Minister] Berlusconi. This was not a slip of the tongue, we all know that, but a message sent diplomatically from a distance. According to our sources, President Kucan will definitely not be going to Trieste. If our sources are correct, then the already agreed talks between the Slovene and the Italian prime ministers are in question. Supposedly, the Trieste meeting will merely be an opportunity for talks.

The Slovene foreign policy is facing great difficulties, not only in the relations with Italy, but also in relations with Croatia. The [Slovene and Croatian] foreign ministers will meet tomorrow and the talks will again be closed to the public. The central topic of the discussion will probably by a document on borders that the incumbent parliamentary commission sent to the government and that is radicalizing the negotiating platform. We do not know what the government's opinion about it is. As a matter of fact, the only thing that is clear is that the song about the success of the Slovene foreign policy has ended through it's own fault and without it and that the time for realism has arrived. [end recording]

Serbia

Milosevic Meets Contact Group Member Nikiforov

LD3006165994 Belgrade TANJUG in English 1437 GMT 30 Jun 94

["Pool" item]

[Text] Belgrade, June 30 (TANJUG)—Serbian President Slobodan Milosevic has met with Russia's 'Contact Group' envoy Aleksey Nikiforov, who informed him about the group's latest meeting, unofficial sources said Thursday [30 June]. The international 'Contact Group' for Bosnia-Herzegovina is drawing up a peace plan in an attempt to end the civil war in Bosnia.

According to unconfirmed reports, Nikiforov, a senior official of the Russian Foreign Ministry, informed Milosevic that the group had finalized its map for the territorial division of the former Yugoslav Republic of Bosnia-Herzegovina. Nikiforov arrived in Belgrade Wednesday evening from Paris, where the Contact Group had been conducting its work behind closed doors. The group is made up of diplomats from the United States, Britain, France, Germany and Russia.

Milosevic, Croatian Official Discuss Relations

LD3006184394 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 30 Jun 94

[Text] Serbian President Slobodan Milosevic has received Zvonimir Markovic, head of the Croatian Government's office in Belgrade. Ivana Sutlic-Peric reports:

[Sutlic-Peric] Serbian President Slobodan Milosevic has received Zvonimir Markovic, head of the office of the government of the Republic of Croatia in Belgrade at his request. Numerous subjects were reviewed in detail in the course of the two-hour talks on the normalization of Serbian-Croatian relations. It was said that the time has come to present clearly defined policies devoid of uncertainty to our own peoples and the world.

The process of normalizing Serbian-Croatian relations has obviously not been discontinued. Indications are that the current slowdown will be overcome, maybe even with a top-level meeting in the near future.

President Milosevic assured ambassador Markovic that Belgrade is keenly interested in the continuation of the talks between the Croatian authorities and Knin. The Serbian president repeated the thesis on the need to gradually resolve the issue of the UN Protected Areas. Not rejecting the need to gradually resolve these problems, ambassador Markovic assessed that the talks so far had mostly been a front for freezing the status quo, and that gradualness must have a clean-cut objective—the peaceful reintegration of the occupied regions of Croatia.

The Milosevic-Markovic talks were also attended by Zeljko Simic, chairman of the commission for the normalization of Yugoslav-Croatian relations and Yugoslav deputy prime minister.

Prime Minister: Budget Deficit Eliminated

LD3006173794 Belgrade TANJUG in English 1721 GMT 30 Jun 94

[Text] Leskovac, June 30 (TANJUG)—As of June 27, Serbia no longer has a budget deficit, said the republic's Premier Mirko Marjanovic on Thursday.

"The deficit is down to zero and we will no longer ask the National Bank of Yugoslavia (NBJ) to print currency to cover public spending. This is one of the best results achieved by this government," said Marjanovic during a meeting with business leaders in this industrial center in southern Serbia. Serbia's 1994 budget is projected at 1.8 billion dinars (deutsche marks) [sentence as received]. The deficit was 560 million [currency not specified].

"Another achievement is the stability of prices," he said, noting that some prices were still too high compared with world prices. Marjanovic said this year's bumper grain harvest would help the further implementation of the program of monetary reconstruction and economy recovery, which started on January 24.

The program, drawn up by Yugoslav financial expert Dragoslav Avramovic, introduced the new, convertible dinar which is fully backed by foreign currency and gold. Avramovic is now the NBJ governor.

The program, based on a restrictive monetary policy, sweeping tax reform and reduction of the huge budget deficits resulted in cutting of the runaway inflation of one million percent a month to just 0.8 percent in only five months. Premier Marjanovic said the government would invest all efforts to keep the dinar and prices stable, increase output and improve living standards. He stressed that public spending would be limited by real budget resources.

Seselj: Muslims-Croats Preparing Major Attack

AU3006150194 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 30 Jun 94

[Text] Speaking at a news conference, Vojislav Seselj, president of the Serbian Radical Party, said that he had reliable information that the Muslims and Croats are preparing a major offensive against the Serbian Republic. Svetlana Zivkovic has the details:

[Zivkovic] The plan for the Muslim-Croat offensive on the Serbian Republic was prepared in the West. According to Seselj, the aim of this offensive is to cut the corridor in Posavina for at least two or three days. After that NATO and the UN Security Council would react with the intention of freezing this situation, thus enabling the Croats and Muslims to remain in the

corridor. In this way the balance of power in the current negotiating process would be significantly altered.

Seselj also spoke about farmers and the purchases of wheat, concluding that the value of 100,000 gold coins that, according to him, are planned to be minted did not amount to even 5 percent of the amount needed for the planned purchase of 1.5 million tonnes of wheat.

The president of the Radical Party announced a hot economic fall in view of the fact that, as he said, the real situation in the economy is different from the one that has been presented.

Montenegro

Deputies Clash Over Nationality Issues

AU3006152994 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 30 Jun 94

[Report by Miodrag Vukovic from Podgorica]

[Text] The discussion about the bill on the Montenegrin Academy of Sciences and Arts in the Montenegrin parliament was a good reason for a literal showdown between two factions, the pro-Serbian and the pro-Montenegrin factions. Instead of holding a serious discussion as such a prominent scientific institution would require, the deputies pushed the discussion in the direction of the national question, or to be more precise, the justification of the existence of the Montenegrin nation.

Everything began with a claim by Dr. Radoslav Ratkovic, member of the Liberal Alliance, that a scientific institution such as the Montenegrin Academy makes no sense because, confounded as it is, it deals with science the least, and because everything that bears the name containing the word Montenegrin is stripped of that name. He presented examples 40 or more years old, as well as some more recent ones.

This claim was welcomed and supported by Acim Visnjic, member of the Radical Party, but for completely opposite reasons. He said that the Montenegrin Academy should not exist simply because it should be a branch of the Serbian Academy of Sciences and Arts. Is there a smaller nation in the world than the Montenegrin nation—or, as he said, the first Serbs—that has such a scientific institution, Visnjic wondered.

That was enough for a real hell to happen in the local parliament, which is still going on. This was followed by a real cannonade of accusations, a series of retorts that reflected intolerance and hatred toward everything Serbian or Montenegrin. The fierce polemics are still going on whether the Montenegrin nation exists, whether the claims that the Montenegrins are Serbs are correct, and whether the Montenegrins are a nation in their own right.

Protests by some deputies about this kind of debate were in vain. Unfortunately, this debate is continuing.

Vojvodina

'Quiet Ethnic Cleansing' in Vojvodina Charged

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[Article by Istvan Valihora in Subotica: "The Driving Away of Vojvodina Hungarians; Chetnik Invasion Follows Bombing of Church; Quiet Ethnic Cleansing"]

[Text] "Each and every day I move one, sometimes two Hungarian families to Hungary," an acquaintance of mine said, when I asked him whether his private moving company had any work to do. While people are quarreling within the Democratic Community of Vojvodina Hungarians [VMDK—DZVM in Serbo-Croatian], local Hungarians are moving out in droves.

Unquestionably, the altercation raging within the only interest group representing Vojvodina Hungarians has an impact on these people's sense of security, but this is not the decisive issue, and in many instances not even the economic situation is grave, because the hard-working Hungarian populace can always make do. Instead, the issue centers around the fact that those actually in power, as well as the extremist parties, do everything they can to carry out quiet ethnic cleansing. In addition, the ruling party, and various organs directed by the ruling party, also contribute to ethnic cleansing through the things they fail to do to protect national minorities.

Ethnic cleansing is not always quiet. The Croatian minority has been exposed to various criminal attempts in Syrmia, and even in Northern Bacska [Backa, in Serbian], while Hungarians in that area have been dispatched beyond the border at first by infringing upon their minority rights, and later by subjecting them to various open threats. Church doors have been bombed twice during the past two years in Szabadka [Subotica], at buildings belonging to the Catholic Church.

Psychological Warfare

Vojvodina Hungarians and other national minorities do not exaggerate when they assert that a real psychological warfare is being waged against them. After the latest church bombing in Szabadka, the local government reminded the public of the number of politicians and party leaders who had come to Szabadka during the past few years for purposes of incitement. These were the spokesmen or chairmen of the party in power, of the most extreme parties in Serbia, or of the Greater Serbian party outside of Serbia.

After a visit to Szabadka by the socialist Budimir Kosutics, Serbian nationalists who had become enthusiastic trampled on the candles the populace had lit on the city's main square to protest the war. It would not have taken much more for them to "take direction into their own hands," removing from authority the Szabadka local

government—called by them the Austro-Hungarian coalition—in which a Hungarian-Croatian majority coalition was established on the basis of a valid election process, consistent with the composition and will of the populace.

Serbian Radical Party chief Vojiszlav Seselj has held grand rallies in Szabadka a number of times. At these rallies he had no qualms about threatening Croatians and disloyal Hungarians residing there (by the latter he means members and sympathizers of the VMDK) with being loaded into railroad cars and deported. Seselj's armed, uniformed marauders stood in the background to give added emphasis to his statement.

In the recent past, twice within a short period of time, Radovan Karadzsics, president of the self-proclaimed Bosnian Serb Republic, visited Szabadka. On the first occasion he was alleged to have travelled through the city to visit relatives who lived there. Incidentally, these relatives are of Crna Gora origin, just like the chieftain of the Bosnian Serbs. The second time he came to Szabadka as the chairman of the Serbian Democratic Party, the party that extends to all Serbian lands, in order to form a party organization in Szabadka and to lift the spirits of local Serbs by propagating the ideal of a Greater Serbia. The bombing of the church followed this visit. A majority of the people in Szabadka cannot but feel that there is some link between the visit and the explosion. Mayor Jozsef Kasza also made a public statement concerning his suspicion; for this reason the choir of Serb nationalists curses him.

The Pressure Increases

Since the most recent criminal attempt that targeted the church, pressure on Vojvodina Hungarians has increased. Szinisa Vucsinics, chairman of the Serb Royalist Movement who had lost out in the elections, and who also serves as the leader of irregular troops called the White Falcons and is a self-appointed voivod of chetniks, has once again reappeared on the political scene. This Bosnian national—a confused politician—with headquarters in Belgrade has once already organized military recruitment in Szabadka on Catholic Good Friday, and has threatened the VMDK and disloyal Hungarians. He than returned several times to scare the Hungarians. His latest move was to announce that he would organize a grand rally on 27 June for all Serbians residing in Szabadka, in the "most beautiful Serbian city." Initially he talked about a chetnik gathering, because he regards himself as a chetnik by blood; later on, however, he gave a higher rank to the proposed assembly. On the one hand, the purpose of the function is to reconcile all Serbian patriots, irrespective of ideological differences. On the other hand, the grand rally, intended to be held in the center of the city, is going to be a warning to organs of authority, calling upon them to ban the "fascist" organizations of the VMDK as well as of the Democratic Union of Croatians in Vojvodina [VHDSZ in Hungarian, DSHV in Serbian], and to imprison their leaders. Otherwise the Royalist would make Ravna Gora out of Szabadka. At the beginning of World War II, Drazsa Mihajlovics organized his chetnik movement in Ravna Gora, located in Serbia. In Vucsinics's interpretation, he did so in order to establish an anti-fascist movement. Subsequently Mihajlovics pursued anticommunist activities with German support, and turned against the Serbians on the opposing side. Mihajlovics was executed as a war criminal in the end. The chetniks, in turn, are remembered by people throughout the world as guerrillas of ill repute.

Latter day chetniks and the public curiously wait to see whether the former [chetniks] receive a permit from the Ministry of the Interior to hold the Greater Serbian gathering tied in with the roasting of an ox. They plan to hold the gathering at a nearby bath resort called Palics [Serb name unknown].

Is Disorderly Conduct Going To Be Permitted?

The petition submitted by the chetniks could cause a great headache to the authorities in power, because Mayor Jozsef Kasza and federal Representative Mihaly Szecsei recently visited Zoran Lility, the president of Smaller Yugoslavia, to discuss economic development issues. They filed a complaint with Lility regarding the bombing of the church that happened to take place in those days, and regarding the above-described psychological warfare. The chetniks made their threat after this meeting, and announced their plan to rampage in Szabadka. So far the organs of power have tolerated the incitement, but at this time they must consider whether to permit incitement. Even more so, because the VMDK and the VHDSZ have informed international forums and the UN organization about the mounting pressure on national minorities in Serbia. A quiet version of this pressure manifests itself in the infringement of minority rights; such infringement is enabled by no less than 18 Serb laws, ranging from language use through education all the way to culture. If we add to this the fact that Vojvodina has been relentlessly robbed since its autonomy was discontinued by virtue of a coup, it is no wonder that many Hungarians move abroad.